



NEW LAWS AND EXECUTIVE DECISIONS UPDATE - JUNE 2026 -

05th July 2026



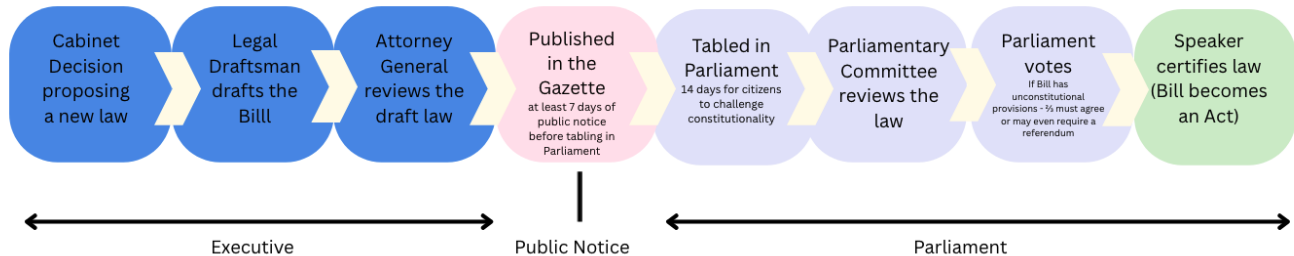
**LAW
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SRI LANKA'S LAW-MAKING PROCESS



UPDATES IN JUNE 2026

I. ACTS CERTIFIED

1. **Inland Revenue (Amendment) Act, No. 11 of 2026** (certified 3 June 2026) — Amends the Inland Revenue Act, No. 24 of 2017. Introduces mandatory Tax Identification Number certificates for significant financial transactions, revised income calculation rules, and clarified tax exemptions for specified projects and businesses. Raises capital gains tax to 15% for individuals and partnerships, and to 10% for trusts, unit trusts, mutual funds, and NGOs. Introduces a 100% enhanced capital allowance for qualifying investments of USD 250,000 to 3 million. Expands the scope for disclosure of information to various authorities.

II. BILLS GAZETTED

1. **Chartered Institute of Media Professionals of Sri Lanka Bill, No. 40 of 2026** (gazetted 5 June 2026) — Establishes the Chartered Institute of Media Professionals of Sri Lanka as a statutory body corporate to set and maintain professional standards for journalists, editors, broadcasters, content developers, camerapersons, and other media professionals. Governed by a 15-member Council (8 elected, 7 appointed) with a Director General as Chief Executive Officer, and a ministerially appointed Interim Council until elections are held within one year. Powers include member enrolment and discipline, examinations, training, accreditation, and rule-making. Designated a scheduled institution under the Anti-Corruption Act No. 9 of 2023; accounts audited by the Auditor General and annual reports to be tabled in Parliament.
2. **Animals (Amendment) Bill, No. 42 of 2026** (gazetted 11 June 2026) — Expands the definition of 'animal' under the Animals Act, No. 29 of 1958, to include goats, pigs, and sheep in addition to cattle and buffalo, extending existing regulatory provisions to these three additional species.
3. **Employment of Women, Young Persons and Children (Amendment) Bill, No. 44 of 2026** (gazetted 25 June 2026) — Raises the fine for offences under sections 7, 13, and 20A of the Employment of Women, Young Persons and Children Act, No. 47 of 1956, from Rs. 10,000 to Rs. 100,000. The increased fine applies only to offences committed after the amending law takes effect; earlier offences remain subject to the prior penalty.
4. **Promotion of Export Agriculture (Amendment) Bill, No. 45 of 2026** (gazetted 25 June 2026) — Replaces the title 'Director' with 'Director General' throughout the Promotion of Export Agriculture Act, No. 46 of 1992, and introduces the new position of 'Additional Director General.' Revises the definition of 'Export Agricultural Crop' to mean any crop with export potential, excluding rice, vegetables, fruits, root crops, and certain other food crops, with the Minister empowered to determine which crops qualify.
5. **Acts of Incorporation**
 - **Pharmaceutical Society of Sri Lanka (Incorporation) Bill, No. 41 of 2026** (gazetted 11 June 2026)
 - **Economic and Rural Resources Development Foundation (Incorporation) Bill, No. 43 of 2026** (gazetted 15 June 2026)
 - **Calvary Church of Sri Lanka (Incorporation) (Amendment) Bill, No. 46 of 2026** (gazetted 26 June 2026)

III. SELECTED CABINET DECISIONS

FINANCE, PLANNING & ECONOMIC DEVELOPMENT

6. 2027 Financial Strategy Statement approved for submission to Parliament, setting out the mid-term financial framework, objectives, fiscal targets, and risk disclosures, as required under section 11 of the Public Finance Management Act No. 44 of 2024. (22 June 2026)
7. Public Debt Management Office Annual Report for 2025 approved for submission to Parliament, covering debt operations and public debt balances for the year ended 31 December 2025, per section 25 of the Public Debt Management Act No. 33 of 2024. (22 June 2026)
8. JPY 282 million (approximately Rs. 575 million) Japan Grant for Human Resource Development Scholarship Programme accepted for 2026, continuing a programme running since 2010 that has placed approximately 255 postgraduate and 16 doctoral scholars, implemented by JICA. (22 June 2026)
9. Additional USD 100 million in supplementary Asian Development Bank financing approved under the Trade, Investment and Industries Development Programme (Sub-Programme 1), increasing that sub-programme's allocation from USD 100 million to USD 200 million within the broader USD 380 million policy-based loan package approved in March 2026. (15 June 2026)
10. USD 200 million from the Asian Development Bank approved to fund highway and irrigation infrastructure renovation and livelihood and housing restoration following Cyclone Ditwah (November 2025), as part of the estimated USD 3.5 billion total recovery requirement. (15 June 2026)
11. 2025 Final Budgetary Condition (Annual) Report approved for submission to Parliament, covering public finance policy, 2025 economic trends, government revenue and expenditure, cash flow management, budget deficit financing, and debt structure, per section 51 of the Public Finance Management Act No. 44 of 2024. (15 June 2026)
12. Revenue Protection Order No. 01/2026 approved for submission to Parliament for concurrence, restructuring customs import duty into four tiers (0%, 10%, 20%, 30%) and introducing sub-classification codes relating to local agriculture and industry. (15 June 2026)
13. Import/Export Control Regulations No. 04 of 2026 (banning imports of HCFC-only equipment effective 6 June 2026 and HCFC compressors effective 1 January 2028, per Sri Lanka's Montreal Protocol commitments) approved for submission to Parliament. (1 June 2026)
14. New Core Banking System procurement approved for Bank of Ceylon, replacing a 22-year-old system, estimated at USD 10 million over five years, funded by the Bank. (30 June 2026)
15. Procurement of 175 tractors, 100 gully bowsters, 100 backhoes, and 160 tipper trucks approved for government field and development operations to address vehicle shortages for project implementation. (30 June 2026)
16. 1,028 Cyclone Ditwah recovery projects (Rs. 515,460.26 million, funded through annual budgets from 2026) and 38 additional Provincial Council projects (Rs. 102,219.05 million) approved under the 'Rebuilding Better' policy, per the Public Finance Management Act No. 44 of 2024. (30 June 2026)
17. US\$450 million Indian relief package for post-Cyclone Ditwah recovery approved under the 'Sagar Bandhu Mission' — comprising USD 350 million in loans and USD 100 million in grants — covering infrastructure, health, education, housing, water supply, and disaster management. (30 June 2026)
18. Sri Lanka Community and Health Survey 2026/2027 approved to update national health statistics and track progress toward Sustainable Development Goals; the last such survey was conducted in 2016. (8 June 2026)
19. Three new instruments under the Foreign Exchange Act No. 12 of 2017 approved for publication: regulations on overseas investments by residents, fund transfers abroad by emigrants, and a renewed outward-remittance restriction order, replacing 2021 instruments. (8 June 2026)
20. Legal Draftsman instructed to prepare a bill amending the Customs Ordinance, based on seven months of stakeholder consultations by the Customs Ordinance Review Committee, as part of the Revenue Administration Reforms and Modernisation Bureau initiative. (8 June 2026)

TRANSPORT, HIGHWAYS & URBAN DEVELOPMENT

21. Railway electrification approved for three high-density corridors — Maradana–Ragama (Main Line), Maradana–Makumbura (Kelani Valley Line), and Maradana–Panadura (Coastal Line) — to increase capacity, reduce travel time, and support sustainable transport, with international development institution support. (22 June 2026)
22. 38.5 km Stage 1 section (Kurunegala to Galewela, km 78+000–116+500) of the Central Expressway Phase 4 approved for procurement, to be constructed with government funds via local contractors. (30 June 2026)
23. Phase 2 completion of the Jaffna Municipal Council Building approved at a revised cost of Rs. 1,958.85 million (excluding taxes), via the original contractor, for handover to the Jaffna Municipal Council; the project had stalled at 70% progress due to the 2022 economic crisis. (30 June 2026)

24. Bus fare revision approved following the fuel price change effective 30 June 2026, based on National Transport Commission recommendations factoring in fuel costs linked to the Middle East conflict, USD-driven spare parts costs, expressway operations, and new Metro Bus services. (30 June 2026)
25. Rs. 1,475 million approved for 217 prioritised development projects across 10 cities — Jaffna, Matale, Hatton, Batticaloa, Chilaw, Tambuttegama, Vavuniya, Eheliyagoda, Badulla, and Matara — under the '10 Cities Development Programme,' with a related Rs. 325 million city-branding study covering Anuradhapura, Kataragama, Colombo, and Kandy. (1 June 2026)
26. Rs. 581 million approved for the 'Mithuru Purawara' Small Town Development Programme, implementing one essential development activity in each of 23 small towns in the initial phase under the 'Clean Sri Lanka' programme. (1 June 2026)
27. Rs. 1,098.50 million approved to rehabilitate road lighting along the Colombo–Katunayaka Expressway (currently approximately 85% non-functional due to vandalism and theft), covering the Peliyagoda, Kerawalapitiya, Seeduwa, and Ja-Ela interchanges and connecting freeway sections. (1 June 2026)
28. 108-acre UDA-vested land in Kelyapura, Hambantota approved for 50-year lease via international competitive bidding, for an industrial, container, and logistics infrastructure project within the Greater Hambantota Development Plan's Central Commercial Zone. (15 May 2026)
29. 6 km section of the Badulla–Hali-Ela road (km 115–121) approved for rehabilitation using a USD 2.4 million loan surplus, estimated at Rs. 600 million, including reconstruction of a 1.5 km stretch damaged by Cyclone Ditwah. (15 May 2026)
30. Resettlement packages approved for families displaced by the Baseline Road Extension Phase III land acquisition (29 units already allocated at Sarasavi Uyana; 8 additional units for special circumstances) and for Kolonnawa flood-prone families (336 units from Sanhinda Sevana) and CPC pipeline settlers (72 units from Helamuthu Sevana). (15 May 2026)
31. Road safety programme approved for hazardous locations on non-national roads, covering road signs, safety barriers, markings, and speed-calming devices at district level, funded through the 2026 'Road Safety and Traffic Management' budget allocation. (1 June 2026)
32. Road widening of the Pitipana–Thalagala Road approved to support the Homagama/Pitipana/Mahenawatte 'Technology City Project' (236 acres, approximately 50,000 daily visitors) serving the Green University, technology faculties, and research institutes. (8 June 2026)

AGRICULTURE, LIVESTOCK, LAND & IRRIGATION

33. 10,000 metric tons of Prilled Urea and 10,000 metric tons of Granular Urea approved for procurement via international competitive tender for the State Fertilizer Company, to help meet the estimated 169,635 MT urea requirement for the 2026/27 Maha cultivation season. (30 June 2026)
34. Rs. 6,000 million approved to fund the paddy purchase programme for the 2026 Yala season. (30 June 2026)
35. Animal Welfare draft bill approved for gazette publication and Parliamentary submission, developed by a specialist committee and cleared by the Attorney General. (22 June 2026)
36. Digitisation of 3.5 million hard-copy cadastral plans held by the Survey Department approved for incorporation into the Land Information System, out of an estimated 16 million total land parcels nationwide. (1 June 2026)

HEALTH & MASS MEDIA

37. Horana District General Hospital (544 beds, serving approximately one million people across Kalutara, Colombo, and Ratnapura districts) transferred from Western Provincial Council administration to the Ministry of Health and Mass Media, including all physical and financial assets. (30 June 2026)
38. Kandy National Hospital four-storey building completion approved at a revised cost of Rs. 1,094.22 million with a deadline extended to 31 December 2027, redesigning the structure (originally 50 negative-pressure isolation rooms) to 23 isolation rooms plus 25-bed male and 20-bed female wards. (30 June 2026)
39. National Communication Programme for Promoting Child Health through Social and Behavioural Change (UNICEF-supported) expanded island-wide, targeting poor hygiene, high sugar and salt intake, screen addiction, and physical inactivity in children under five. (22 June 2026)
40. Paediatric Intensive Care Unit construction approved for the fourth floor of the new paediatric ward complex at Ratnapura Teaching Hospital, at an estimated cost of Rs. 64.15 million, fully funded by local philanthropists. (1 June 2026)

ENVIRONMENT

41. Cabinet Sub-Committee (chaired by the Minister of Environment) and a supporting Officials' Committee appointed to manage water, electricity, and food security risks from anticipated El Niño conditions later in 2026. (22 June 2026)
42. National Action Plan for Human-Elephant Conflict Management approved for drafting, updating the 2020 plan, to address conflict affecting 19 of 25 districts involving approximately 7,450 wild elephants per the 2024 census. (15 May 2026)

43. Elephant corridors approved: the Handapanagala–Demodara corridor (Monaragala District) declared a sanctuary; Wetahira Kanda Nature Reserve re-declared a wildlife corridor; and land obstructing the Koholankala corridor (Hambantota) to be acquired and declared part of the Hambantota Wild Elephant Management Reserve. (1 June 2026)
44. Coastal Zone and Fisheries Harbour Waste Management proposal framework approved, operationalising a supporting mobile application and initiating amendments to the Fisheries and Aquatic Resources Act and Marine Pollution Prevention Act to introduce Extended Producer Responsibility for fibreglass waste. (1 June 2026)
45. National Oil Spill Contingency Plan updated to also cover hazardous and noxious substances, with an accompanying digital platform (Phase 1 developed), addressing marine pollution risk from over 400 vessels per day on nearby shipping routes. (1 June 2026)
46. National Green Reporting System guidelines updated with 76 criteria (31 environmental, 30 social, 15 governance) and five reporting levels, aligned with current climate change, SDG, and Paris Agreement obligations; a 24-member National Green Reporting Steering Committee re-established. (1 June 2026)
47. Biosafety Bill (addressing GMO impacts on biodiversity and human health under the Cartagena Protocol) approved for finalisation, building on drafting work initiated in 2017 and 2021. (8 June 2026)

EDUCATION, HIGHER EDUCATION & VOCATIONAL EDUCATION

48. School Shoe Programme 2027 approved, providing a Rs. 3,000 gift voucher per eligible school and Pirivena student; vouchers redeemable through local manufacturers visiting schools in Western, Southern, Sabaragamuwa, Eastern, and North Western provinces, or from the open market in other provinces. (30 June 2026)
49. New Grade 1 admissions circular for government schools from 2027 approved, incorporating input from the Bribery and Corruption Commission, Human Rights Commission, and education authorities to improve transparency and equal access. (22 June 2026)
50. Integrated computer network for the Department of Examinations approved, replacing fragmented manual data handling across all branches for the more than 300 annual examinations conducted by the Department. (22 June 2026)
51. School hostel modernisation project approved (2026–2028, estimated Rs. 1,008 million) to upgrade 126 aging school hostel buildings, improving physical, sanitary, health, and safety conditions. (15 May 2026)

PUBLIC ADMINISTRATION, PROVINCIAL COUNCILS & LOCAL GOVERNMENT

52. Special committee 'Protecting Eastern Province Lands' established to address illegal land grabbing and unauthorised coastal construction, with a special police unit (headed by a DIG) to stop unauthorised land acquisitions, reclamation of unused Mahaweli Authority lands for community development, and a framework for transparent oversight of coastal hotel operations. (22 June 2026)
53. Draft bill consolidating the Rabies Ordinance and Dogs Registration Ordinance approved for gazette publication and Parliamentary submission, to control dog population, mandate rabies vaccination, and strengthen dog registration and institutional responsibilities. (30 June 2026)
54. Amendments to the Establishments Code approved to allow no-pay leave (beyond the existing six paid days per month) for public officers serving as Deputy Mayor or Deputy Chairman following local government elections. (22 June 2026)
55. Rs. 398.60 million approved for construction of a new four-storey Negombo Divisional Secretariat building (Gampaha District), replacing two approximately 50-year-old buildings, to serve 127 staff and more than 1,500 daily visitors. (15 June 2026)
56. Rs. 150 million approved for 26 sanitation improvement projects across 24 local government areas under the 'Clean Sri Lanka' programme for 2026. (8 June 2026)

DIGITAL ECONOMY

57. Legal Draftsman instructed to prepare a Draft Economic Development Bill establishing a new institutional framework for digital policy, regulation, and AI-related innovation support, based on an approved concept paper. (8 June 2026)

ENERGY

58. National Green Hydrogen Policy approved for implementation, together with preparation of an accompanying roadmap, workflow, and regulations, leveraging Sri Lanka's estimated 56-plus GW offshore wind potential. (8 June 2026)
59. Lot A construction contract for the Mullikulam Wind Power Transmission project awarded to RS Infraprojects Pvt. Ltd. (India) at USD 6.04 million plus LKR 499.66 million (excluding VAT), covering substation bay works and two 220kV transmission line bays. (1 June 2026)
60. Lubricating oil supply contracts for Sapugaskanda Power Station 2026/27 awarded: Lanka IOC PLC for Plant A (Rs. 392.47 million including VAT) and Chevron Lubricants Lanka PLC for Plant B (Rs. 434.86 million including VAT). (1 June 2026)

PORTS & CIVIL AVIATION

61. Aeronautical Message Handling System procurement approved to replace the aging Air Navigation Handling System at Ratmalana, estimated at Rs. 1,000 million, funded from the Airport and Aviation Services Lanka's capital budget. (22 June 2026)
62. Ground and air handling services contract for SriLankan Airlines at Delhi Airport awarded to Bird Flight Services (India) Pvt Ltd at INR 332.85 million for three years (1 June 2026 to 31 May 2029), selected via limited international competitive bidding. (22 June 2026)
63. Sri Lanka approved to host the 21st CASPAP Steering Committee Meeting (23–24 June 2026) and the 14th Regional Aviation Security Coordination Forum (25–26 June 2026), with approximately 80 delegates from 41 ICAO member states; Sri Lanka to chair CASPAP for 2026–2027. (15 May 2026)
64. Amendment to Article 11 (Tariffs) of the 2008 Sri Lanka–Turkey Air Services Agreement approved for signing, aligning the tariff framework with international standards. (15 May 2026)

HOUSING, CONSTRUCTION & WATER SUPPLY

65. National Water Tariff Policy approved, establishing a framework for tariff-setting across all water supply and sanitation providers, balancing financial sustainability with affordable access, developed under the ADB-funded Sri Lanka Water Supply and Sanitation Sector Reform Programme. (8 June 2026)
66. 300 water supply projects approved across 50 small towns and rural areas (2027–2029), targeting approximately 600,000 families, via the National Water Supply and Drainage Board and the National Community Water Supply Department. (1 June 2026)
67. New causeway-type box-culvert bridge approved for construction on the Thambuththegama–Rajanganaya Highway, replacing a flood-prone structure, at an estimated cost of Rs. 241.45 million, jointly approved with the Ministry of Housing, Construction and Water Supply. (15 June 2026)

JUSTICE & NATIONAL INTEGRATION

68. July 6 declared as Sri Lanka's National Legal Aid Day, to raise public awareness of legal rights, remedies, and the role of the Legal Aid Commission established under the Legal Aid Act No. 27 of 1978. (22 June 2026)
69. Anti-Corruption (Declaration of Assets and Liabilities through Centralised Electronic System) Regulations 2026 and Anti-Corruption (High Risk Categories) Regulations 2026 approved for submission to Parliament under the Anti-Corruption Act No. 9 of 2023. (8 June 2026)

LABOUR

70. Senior Officials Committee appointed to examine bringing all EPF (2.5 million-plus members, Rs. 4.9 trillion in assets) and ETF (3 million-plus members, Rs. 637.5 billion in assets) operations under one integrated tripartite governance framework (Government, employers, employees), aligned with ILO best practice. (15 May 2026)

BUDDHASASANA, RELIGIOUS & CULTURAL AFFAIRS

71. Rs. 129.69 million approved to reconstruct a further 90 cyclone-damaged religious places, building on Rs. 800 million already deployed covering 178 sites across Buddhist, Hindu, Islamic, and Christian institutions. (15 June 2026)
72. Additional Rs. 113.17 million approved to complete the Amaradeva Aesthetic and Research Centre (Amaradeva Asapuwa), initiated in 2017, of which only Rs. 141.54 million of the earlier Rs. 226.18 million allocation has been utilised. (1 June 2026)

FOREIGN AFFAIRS, FOREIGN EMPLOYMENT & TOURISM

73. Five-year development plan approved for families of women migrant workers, covering economic guidance, child health and safety, women's affairs, job training, small business support, and export development, to address repeat migration and child welfare gaps. (8 June 2026)
74. Collaboration agreement approved enabling Sri Lankans to work in Japan under Japan's new 'Employment Programme for Skill Development' (effective 1 April 2027), offering worker protections and a pathway to specific skilled worker status. (8 June 2026)
75. MOU approved between the Sri Lanka Institute of Tourism and Hotel Management and China's Central Academy of Culture and Tourism Administration, covering educational exchange, vocational training, joint research, and faculty development. (1 June 2026)

WOMEN & CHILD AFFAIRS

76. Annual Implementation Plan 2026 under the Rs. 200 million 'Programme Targeting Women's Empowerment' approved across 11 sectors, aimed at supporting middle-level women entrepreneurs, improving market access, providing opportunities for unemployed young women, and assisting survivors of gender-based violence, delivered through the Sri Lanka Women's Bureau. (8 June 2026)

ENVIRONMENT & PRESIDENTIAL RESOLUTIONS

77. Technical Expert Committee approved to define the institutional structure and scope of a new Upper Watershed Management Authority, draft enabling legislation, and establish the Authority in three phases, in response to destruction of 34% of sensitive central highland forests and damage to seven major river basins caused by Cyclone Ditwah. (8 June 2026)
78. National Commission on Research and Development established to consolidate and coordinate R&D activities across ministries and institutions; a committee appointed to draft a concept paper for future legal provisions. (22 June 2026)
79. Removal of the indelible ink voter-marking requirement approved across five election laws (Presidential Election Act, Parliamentary Election Act, Provincial Council Election Act, Local Government Elections Ordinance, and Referendum Act), as the dual ID verification plus ink marking was considered redundant and costly. (22 June 2026)
80. Public Servants' Salaries and Pensions Commission (15 members) established by Presidential Directive to recommend solutions to longstanding public-sector salary and pension anomalies, propose structural reforms to the public service, and recommend measures for a technologically empowered, citizen-centric public service, with a one-year mandate. (22 June 2026)

Author and Disclaimer – Prepared by the Chambers of Ermiza Tegal as commissioned by the Law and Society Trust. This is a brief summary only; it contains no legal analysis and should not be relied upon as legal advice. Contact: tegal.lawchambers@gmail.com