

In Search

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SRI LANKA

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**Economic
Revival:**
A journey of positivity



To be the Most Recognized Mid-Level Accounting and Business Qualification

To equip our students and members with the knowledge, skills, attitude and mindset to become best-in-class mid-level accounting and business professionals who add value to the corporate world while succeeding in their career and personal lives, via a robust curriculum, empowered and passionate staff who work in a digitally enabled working environment and a network of well equipped accredited education centers, while adhering to environmentally friendly and socially responsible practices.



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Maintain high professional standards at all times

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Ready to change to suit the context

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We make every decision based on how well it serves our Students and Members

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Message from the President of AAT Sri Lanka



Dear Members,

I am honored to extend my thoughts through the 1st issue of InSearch magazine for the year 2024. We have faced many challenges as a country during the recent past, and now it's time to revive from the downturn impact of the economy. We as an Association reflect many achievements during the first few months of this year. The progress has been slow due to the influence we still see in cellos in various parts of the country but should not be discouraged by them. The early months of this year have been a testament to our collective resilience, dedication, and unwavering commitment to our Association's mission.

This year thus far has been remarkable for several reasons. We have successfully entered into agreements with many higher educational institutes and universities paving the way for higher education options for our members. We have kicked-off the digitalization process of the Association which will benefit both our student population and members as a whole. We have instructed the Welfare Committee to set up the Benevolent Society for the members which would benefit our distressed members in the future. The Association was able to secure many recognition awards during the first half of the year which denotes the expertise the Association holds. The membership of the Association keeps on expanding collaborated with many industries in the economy that defines the commitment of the Association to grow in size.

I would like to commend the efforts made by the Membership Committee on selecting a timely topic for this issue and untiring commitment they have done

to publish this issue. The newly appointed Governing Council is very energetic and is striving to initiate many successful projects. The staff spearheaded by the CEO also has been geared to face the challenges that unfold ahead and have been driving the Association in the correct path.

As we look ahead to the future, our focus remains on digitalizing, enhancing the brand image and empowering our members in various sectors of the economy with their expertise. This journey will be alongside consultation with our members too. We had a successful discussion with senior members of the Association and were able to gather many valuable ideas to move forward. The challenges we face are significant, but with the continued support of our members, I am confident that we can overcome them and achieve even greater heights.

I encourage each of you to stay actively involved in the initiatives. Your participation is crucial as we continue to build on our success and navigate the opportunities and challenges ahead. Together, we can make a lasting impact! In the meantime, I also take this opportunity to thank you for the ongoing support and dedication. I am proud of all that we have accomplished and excited about what the future holds for our Association. Let's continue to work together to achieve our shared vision.

Sincerely

Indraka Liyanage

Message from the Chairman of the Membership & Professional Development Committee



Greetings to our valued readers,

It is with great pleasure that I contribute to this edition of InSearch, a publication that serves as a vital platform for sharing knowledge, insights, and updates within our professional community. As the Chairman of the Membership & Professional Development Committee of AATSL, I am proud of the strides we continue to make together, advancing the field of accounting and ensuring that our members remain at the forefront of industry developments.

InSearch is more than just a magazine; it is a reflection of our collective journey towards excellence. Each article, interview, and feature is crafted with the intention of empowering you, our valued members, with the information and tools needed to thrive in an ever-evolving professional landscape.

Our Committee remains committed to enhancing the value of your membership by fostering a vibrant, engaged, and informed community. We believe that InSearch plays a critical role in this mission, by providing a space where knowledge meets opportunity, and where ideas can flourish.

As we look to the future, I encourage you all to actively participate in the ongoing dialogue within our community—whether by contributing your own insights to future editions of InSearch or by taking part in the many initiatives and events organized by AATSL.

I would like to extend my heartfelt thanks to the Subcommittee members who have dedicated their time and effort to the success of InSearch. Their commitment and hard work have been instrumental in ensuring that this publication continues to meet the highest standards, providing valuable content for all our members.

Thank you for your continued dedication and support. Together, let us continue to build a strong, dynamic, and forward-thinking association.

Warm regards

P.D.W.Kumara

Message from the Chief Executive Officer



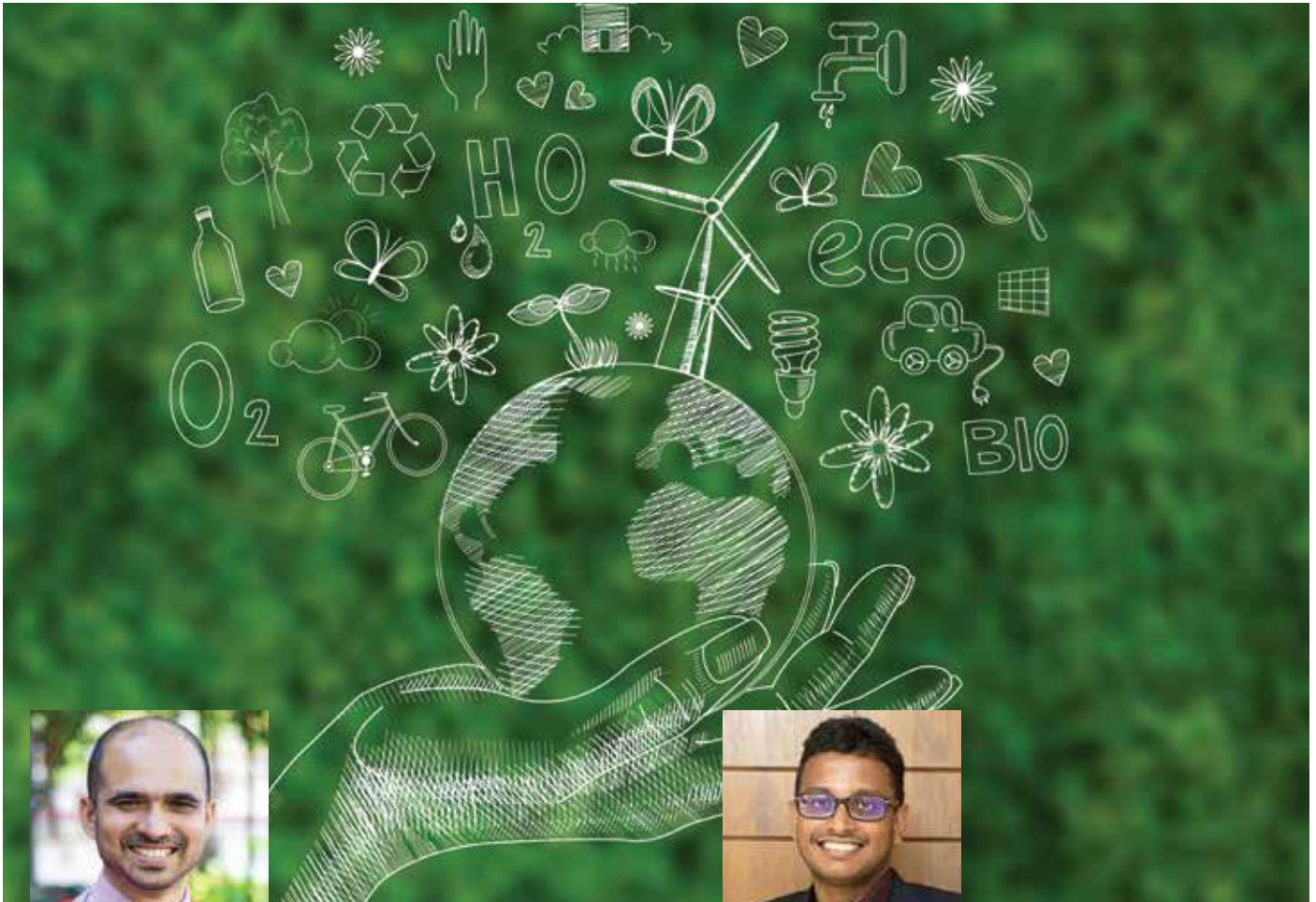
It gives me great pleasure in sending this message to the 1st issue of the 'InSearch' for 2024 under the theme of "Economic Revival: A Journey of Positivity" for distinguished members of this reputed professional body which has achieved global recognition as the world's second largest accounting technicians body. In these unprecedented times, our resilience and collective optimism have been the driving forces behind our path to recovery and growth.

The past few years have presented us with numerous challenges, yet they have also opened doors to unparalleled opportunities for transformation and progress. At AAT Sri Lanka, we have embraced these opportunities with a forward-thinking mindset, focusing on innovation, collaboration, and sustainable development. Our journey towards economic revival is marked by our unwavering commitment to creating value for all our stakeholders. Our strategic initiatives are aimed at not only recovering from recent setbacks but also positioning ourselves as leaders among educational bodies.

Our commitment to sustainability and inclusivity ensures that our growth benefits not just our organization but also the communities we serve. By investing in education and skill development, we are contributing to a more equitable and sustainable future.

As we move forward, I am confident that our collective efforts will lead to a robust and thriving economy. I extend my heartfelt gratitude to our employees and stakeholders for their unwavering support and dedication. Together, we are on a journey of positivity, transforming challenges into triumphs and paving the way for a brighter tomorrow.

Tishanga Kumarasinghe



Dr. Janaka Fernando
Senior Lecturer, Department of Business Economics,
University of Sri Jayewardenepura



Asel Hettiarachchi
Lecturer (Probationary), Department of Business
Economics, University of Sri Jayewardenepura

Sri Lanka’s Economic Crisis: Causes, Responses, and the Path to Sustainable Growth

Introduction

Just a decade after the end of the Civil conflict, Sri Lanka found itself in a series of crises, including a devastating terrorist attack in 2019 and the COVID-19 pandemic-driven health crisis in 2020 and 2021. However, the most alarming of these was the unprecedented economic crisis of 2022, where the country was on the brink of a foreign exchange shortage, threatening the supply of essentials such as food, medicine, and fuel. In a historic move, Sri Lanka declared a pre-emptive default in April 2022 and is now in the process of restructuring its debt obligations. This dire situation has led Sri Lanka to return to the International Monetary Fund (IMF) for the 17th time in a desperate bid to regain international market access and stabilise the economy. At present, there is a growing sense of optimism about the Sri Lankan economy, fueled by positive advancements and

recovery initiatives. Therefore, the aim of this article is to provide a chronological overview of the economic downturn and suggest policies to achieve sustainable growth.

Path to the crisis

Though precipitated by a series of recent crises, Sri Lanka’s economic crash was fundamentally driven by deep-rooted vulnerabilities stemming from decades of systemic economic mismanagement. The collapse reflects not just short-term shocks, but long-term structural issues that have been building for years. For nearly three decades, the persistent deficits in the fiscal and external sectors (known among economic literature as twin deficits) limited Sri Lanka’s ability to navigate

the crisis events. This fiscal imbalance translated into growing levels of public debt over time. The external sector was also weakened, with misguided policy directions that allowed for continued trade deficits. This exhausted all fiscal and external buffers, resulting in an economy susceptible to external shocks.

One reason Sri Lanka failed was the presence of a large public sector that often ran fiscal deficits. In Sri Lanka, the tax revenues have not kept up with the GDP. Despite the existing inadequate taxation levels, in 2019, Sri Lanka introduced unwarranted populist tax cuts in income taxes and taxes on consumption. This led to further deterioration of government revenue, where the tax-to-GDP ratio declined from 12.2% to 8.5% in 2020 and 8.0% in 2021 (Source: Central Bank of Sri Lanka). The primary balance (i.e. the difference between government revenues and spending, excluding interest payments on public debt) was almost always a deficit. Since liberalising the economy, up until the crisis of 2022, except in 2017 and 2018, Sri Lanka had consistently run primary deficits.

Since the late 2000s, Sri Lanka has financed these fiscal deficits through the international financial market by issuing International Sovereign Bonds (ISBs). These ISBs were issued periodically to refinance maturing debt. However, shortly after the onset of the COVID-19 pandemic in 2020, worsening economic fundamentals (driven mainly by unwarranted tax rate cuts in 2019) resulted in Sri Lanka losing access to international credit markets to fund these deficits. Since then, these deficits have been funded through 'money creation' or, in other words, monetised by the financing from the Central Bank of Sri Lanka at the expense of their economic objectives. This money printing to finance the public sector ultimately led to the loss of the value of the Sri Lankan rupee, resulting in the economic crisis in 2022.

On the external side, Sri Lanka also mismanaged the exchange rate. While the country on paper had a free-floating exchange rate system, authorities have frequently intervened in the foreign exchange markets to prevent rupee depreciation. This allowed for cheaper imports and less profitable exports, delaying the required economic adjustments generally catalysed by the market mechanism for an efficient economy. Despite undergoing economic liberalisation in 1977, the country failed to diversify its manufacturing base and expand exports. Instead, liberalisation led to increased imports, with domestic entrepreneurs being pushed out and unable to compete with low international prices. The overvalued exchange rates and lack of export diversification consistently resulted in trade deficits managed by depending on remittances and tourism receipts.

In 2021, intending to stabilise the currency during the COVID-19 pandemic, the Sri Lankan Central Bank once directed the financial system to maintain the exchange

rate. This drove much of the remittance flows (that Sri Lanka depends on to finance its external deficits) through informal channels that offered more attractive rates than formal ones. By 2022, even while pandemic pressures have subsided, the formal remittance flows continued to remain low as the public got used to the convenience and attractive rates offered by the informal channels. This, coupled with a lack of tourism owing to pandemic-related mobility restrictions, depleted the usable foreign currency reserves.

On top of that, several ISBs were up for repayment. Despite limited reserves (which were also largely inflated through unusable currency swaps), Sri Lanka, instead of opting in for a debt reprofiling, continued to settle these ISBs (one as late as January 2022), resulting in near zero-levels of reserves. These ISB settlements were done while securing additional credit lines from India to finance essentials such as fuel imports, which were still sold at subsidised prices. Sri Lanka borrowed money to import fuel while using the limited reserves to settle ISBs. In March of 2022, with no reserves left to defend the rupee, the monetary authorities floated the currency, leading to the rupee collapsing from LKR 200 to LKR 365 against the US Dollar by May.

With the rupee depreciation that translated to higher import prices and high demand side pressures from 'money printing', prices in the economy rapidly increased. CCPI Headline inflation peaked in September 2022, with food inflation reaching almost 95% (Source: Central Bank of Sri Lanka). Import controls introduced during the pandemic to save foreign exchange were expanded to several 'non-essentials' products. Additional bilateral credit lines that would add to the existing debt were used to import fuel, medicine and other essentials in limited quantities. These scarce stocks were then rationed among the public, who queued for days. In the meantime, international borrowings (such as maturing ISBs) were also up for repayment. Given the insufficiency of foreign exchange to finance essential imports, let alone debt repayments, Sri Lanka declared sovereign bankruptcy in April 2022.

The path of recovery

There has been a growing buzz of optimism surrounding the Sri Lankan economy in 2024, driven by positive developments and recovery efforts. These positive trends are also reflected in the improving macroeconomic indicators. The economy grew by 5.3% in Q1 2024 compared to a 10.7% contraction in Q1 2023 (Figure 1), with the agricultural, industrial, and services activities expanding by 1.1%, 11.8%, and 2.6%, respectively (Source: Central Bank of Sri Lanka). While a part of this growth can be attributed to the base effect of low growth in early 2023, significant recoveries in sectors such as tourism and some recovery in sectors such as retail trade and construction drove the growth in 2024. The high inflation that prevailed in 2022 and early 2023 has now reduced to single digits, followed by a reduction in interest rates.

In managing its unsustainable public debt, Sri Lanka was directed to restructure its public debt as a condition of securing the IMF's extended fund facility of US\$2.9 bn. Accordingly, Sri Lanka began a debt-restructuring process with its domestic and external creditors to reduce public debt levels in line with IMF targets. Having completed the domestic debt optimisation in 2023, Sri Lanka has made some progress in finalising the treatment of its external creditors. The external debt negotiations are expected to be finalised by the end of 2024, after which Sri Lanka is expected to regain a sovereign credit rating, a crucial pre-condition for regaining international market access lost after the sovereign bankruptcy.

Other government commitments driven by the IMF Programme have also immensely supported economic recovery. Elimination of monetary financing (money printing), as proxied through the reduction of net credit to the government by the Central Bank of Sri Lanka over time (Figure 2), also bodes well for the economy. IMF-backed legislative changes, such as the new Central Bank Act, have also increased the independence of the monetary authorities, which will also help keep domestic prices stable going forward. Additionally, the act conditions fiscal responsibility, limiting the government's ability to borrow directly from the Central Bank. This reduces excessive public debt creation and aligns monetary policy with the long-term goal of economic stability. Over time, this framework is expected to build investor confidence, stabilise inflation, and promote sustainable economic growth, all essential for Sri Lanka's ongoing recovery.

The external sector has also significantly strengthened. In 2024, Sri Lanka's external sector has shown signs of resilience despite the challenges posed by a widening trade deficit. Key drivers of this performance include strong inflows from workers' remittances (Figure 3) and a substantial recovery in tourism (Figure 4). Having exceeded 1.4 million arrivals in 2023, Sri Lanka, in 2024, has almost reached monthly tourism numbers that were last seen in 2018 before the crisis events. The country's gross official reserves have been gradually improving (Figure 5), supported by a relatively favourable current account position and multilateral flows to the country. However, trade deficits remain a concern, as some deterioration has been seen despite continued support from import restrictions on goods such as vehicles and mandatory conversion of export proceeds.

Supported by revenue generation and expenditure rationalisation measures, Sri Lanka's fiscal statistics also show remarkable improvement. In 2024, the country secured primary surpluses well over IMF targets. The large primary surplus offers the government flexibility in its fiscal decisions. However, unsustainable fiscal loosening, particularly targeting the election cycle, may catalyse increased government spending to stimulate domestic demand or adjustments in taxation, dampening the current path of recovery.

For long-term economic success

If Sri Lanka is to transform this short-term recovery into long-term success, it must focus on and address key vulnerabilities that have weakened its fiscal and external sectors over time. Maintaining the current fiscal discipline is crucial for long-term economic stability. The government must reform the public sector and continue its revenue generation measures. By introducing policies to reduce the size of the public sector and broaden the tax base, Sri Lanka can build on this improved fiscal position and avoid future crises stemming from fiscal imbalances.

Considering the external sector, the current growing trend, particularly regarding remittances and tourism, needs to be sustained. Exchange rates must be market-determined to prevent informal remittance channels from gaining traction. Actively engaging with the Sri Lankan diaspora to foster a sense of connection can also encourage more frequent and higher remittances, along with the potential for their contribution to local investments contributing to Sri Lanka's progress. The recovery in tourism numbers needs to be converted into increased revenue. Sri Lanka can enhance its tourism portfolio by promoting experiential-based tourism beyond the traditional offering. Expanding eco-tourism, adventure tourism, and wellness retreats can encourage longer stays while appealing to high-spending tourists looking for unique experiences.

In a structural sense, Sri Lanka can also address Micro, Small, and Medium Enterprise (MSMEs) development. MSMEs are a significant driver of employment and economic activities. Sri Lanka must implement strategies to integrate SMEs into global value chains (GVCs) and enhance their competitiveness in international markets. By connecting MSMEs to these global networks, the country can improve its export capacity, diversify its economic base, and reduce its trade deficits.

Trade and foreign relations also need to be bolstered to promote economic growth. Expanding international trade relations and exploring new markets for Sri Lankan goods and services are essential to fostering economic resilience. Additionally, promoting foreign direct investment (FDI), particularly in the export sector, can provide much-needed capital and technology to support Sri Lanka's growth trajectory.

Further, having lost substantial human capital due to outmigration in 2022, Sri Lanka must also address the ongoing brain drain to sustain its economic recovery. The government should implement targeted policies to convert brain drain into brain circulation. Unlike brain drain, where talent permanently leaves the country, brain circulation involves emigrants gaining international experience and knowledge and returning to their home country to contribute to local industries. This can help strengthen key sectors such as healthcare, education, and technology, which are critical for long-term

development. The government can focus on leveraging the skills and expertise of the diaspora to foster knowledge exchange and entrepreneurship, ultimately contributing to a more resilient and diversified economy.

Sri Lanka's journey toward economic recovery is both challenging and multi-faceted, requiring a combination of fiscal discipline, structural reforms, and targeted policies to overcome key vulnerabilities behind its recent crisis event. By focusing on the completion of debt restructuring, MSME development,

trade expansion, and promoting brain circulation, the country can lay the foundation for sustained growth. Leveraging its current fiscal surplus wisely can provide the government with opportunities to stimulate national investments and domestic demand and manage debt effectively. However, long-term stability will require careful planning and continued collaboration with international partners like the IMF. As Sri Lanka moves forward, implementing resilient, pragmatic policies will be key to navigating future uncertainties and achieving sustainable economic progress.

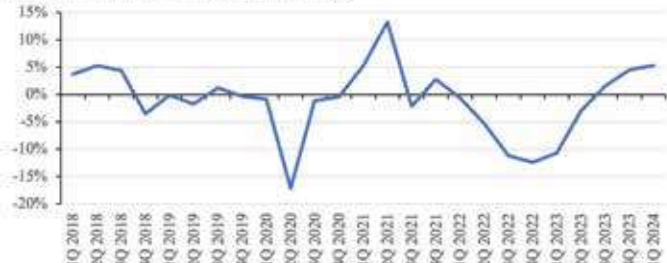
For additional information

Table 1: Economic Indicators of Sri Lanka, 2018-2023

Indicator	2018	2019	2020	2021	2022	2023
GDP at current market price (US\$ bn)	94.7	89	84.4	88.6	76.8	84.4
Per capita income (US\$)	4,372	4,082	3,851	3,999	3,464	3,830
GDP Growth rate (%)	2.3	-0.2	-4.6	4.2	-7.3	-2.3
Unemployment rate (%)	4.4	4.8	5.5	5.1	4.7	4.7
Inflation (%)	2.1	3.5	6.2	7	50.4	4.2
Exchange rate (LKR/USD)	162.54	178.78	185.52	198.88	324.55	327.53
Trade balance (US\$ bn)	-10.34	-7.99	-6.01	-8.14	-5.18	-4.90

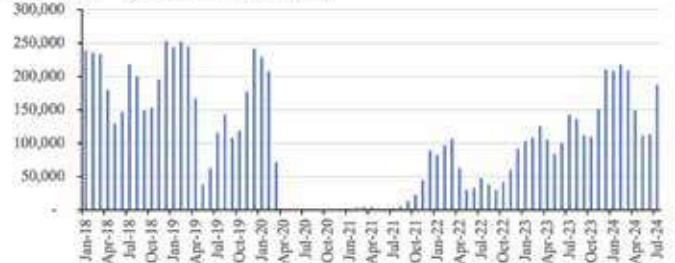
Source: Central Bank of Sri Lanka

Figure 1: GDP at constant prices (YoY Growth)



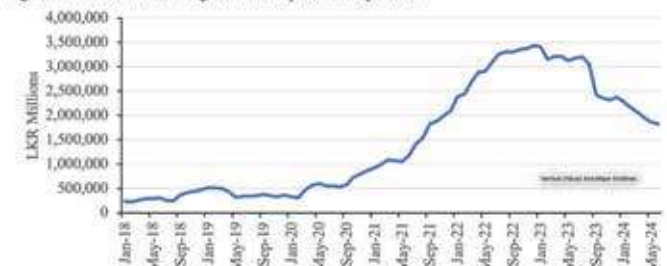
Source: Central Bank of Sri Lanka

Figure 4: Monthly tourist arrivals to Sri Lanka



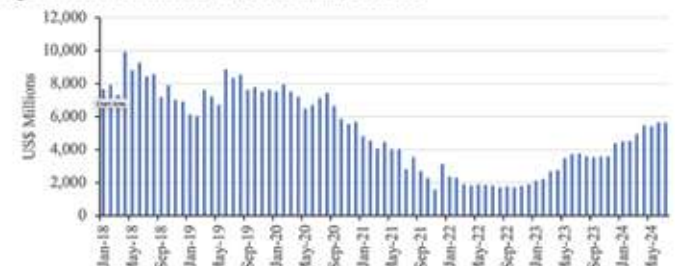
Source: Sri Lanka Tourism Development Authority

Figure 2: Net Credit to the government provided by CBSL



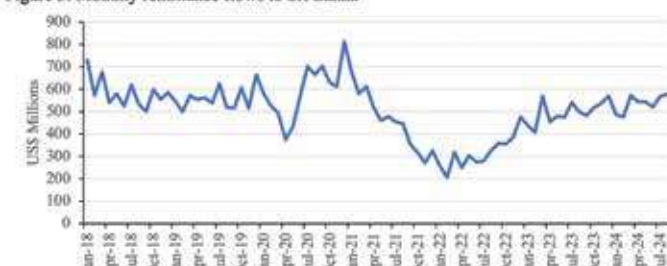
Source: Central Bank of Sri Lanka

Figure 5: Gross Official Reserves of Sri Lanka, 2018-2024



Source: Central Bank of Sri Lanka

Figure 3: Monthly remittance flows to Sri Lanka



Source: Central Bank of Sri Lanka

Bridging the Gap: Connecting Government, Industry, and Universities for Sri Lanka's Economic Recovery



S Uditha Bandara

Senior Lecturer – Department of Marketing Management,
University of Kelaniya, Sri Lanka

Sri Lanka's economy has faced numerous challenges in recent years, from political instability to external debt crises, and the impact of global economic downturns. As the nation seeks to map a path to sustainable recovery, it is essential to foster a collaborative approach that leverages the strengths of the government, industry, and universities. This triad of entities can drive innovation, improve competitiveness, and build a resilient economy. However, the connectivity between industry, government and the universities currently are not favorable in achieving country's full potential. It seems they work independently without a holistic approach. This article explores the importance of these connections and offers insights into how Sri Lanka can utilize them to stimulate economic growth.

The Role of Government

The government plays a pivotal role in creating an enabling environment for economic development. However, Sri Lanka currently faces significant challenges in this area due to a lack of stable governance and consistent long-term planning. The frequent changes in policies and plans with each new administration have hindered sustained economic growth. Despite opening its economy in 1977, Sri Lanka still struggles to achieve its full economic potential. Addressing these issues is crucial for fostering a conducive environment for economic recovery.



Policy Frameworks and Incentives: Consistent and stable policy frameworks are essential for attracting investment and fostering innovation. The current situation of the country is not so favorable to many of the industries. Thus, the government must strive to develop and implement long-term economic plans that remain consistent regardless of political changes. Establishing independent economic advisory bodies can help ensure continuity and stability. For example, Singapore's Economic Development Board (EDB) offers extensive support to industries, resulting in a thriving tech and innovation sector. Sri Lanka could benefit from creating a similar entity to provide sustained economic guidance.

Infrastructure Development: Investing in infrastructure, such as transportation networks, telecommunications, and energy supply, can significantly enhance industrial productivity. Which is currently a question mark in the country. Projects like the Colombo Port City are steps in the right direction, aiming to position Sri Lanka as a hub for commerce in South Asia. However, consistent government support and clear long-term plans are necessary to ensure these projects reach their full potential and contribute to economic growth.

Regulatory Reforms: Simplifying business registration processes and improving the ease of doing business are crucial steps towards attracting local and foreign investments. Sri Lanka ranked 99th in the World Bank's Ease of Doing Business Index in 2020. Learning from countries like New Zealand and Singapore, which tops the list, can provide valuable insights. Implementing streamlined procedures and reducing bureaucratic procedures will make it easier for businesses to operate and thrive.

high-quality products. Providing grants for research and development, promoting local products in international markets, and supporting branding initiatives can help create a favorable environment for brand development.

The Role of Industry

Industries are the engines of economic growth, providing employment, driving exports, and fostering innovation. Strong industry participation is vital for economic recovery and growth.

Collaborative Innovation: Industries must collaborate with universities and research institutions to innovate. For example, the collaboration between Boeing and the Massachusetts Institute of Technology (MIT) has led to significant advancements in aerospace technology.

Skills Development: Industry-specific training programs in partnership with universities can bridge the skills gap. Companies like Toyota and IBM have established training centers in collaboration with educational institutions to ensure a steady supply of skilled workers.



Brand Development: Developing strong, internationally competitive brands is vital for economic growth. Currently, Sri Lanka lacks globally recognized brands that can compete on the international stage and generate significant revenue. The government can play a crucial role in supporting industries to develop and market

Corporate Social Responsibility (CSR): By investing in community development and environmental sustainability, industries can contribute to broader societal goals. Unilever Sri Lanka's initiatives in promoting hygiene and sanitation exemplify how industries can positively impact communities.

The Role of Universities

Universities are the breeding grounds for innovation and research, playing a crucial role in developing the human capital needed for a knowledge-based economy. However, following the COVID-19 pandemic and the country's economic instability, Sri Lanka has experienced a significant brain drain, with many skilled professionals and graduates seeking opportunities abroad. Addressing this issue is essential for building a resilient and innovative economy.

Research and Development (R&D): Universities must focus on applied research that addresses local industry needs. The University of Moratuwa's collaboration with local industries on engineering projects is a model that can be replicated across other sectors.

Entrepreneurship Development: Encouraging entrepreneurship through incubators and accelerators can lead to the creation of startups and new businesses. Stanford University's StartX accelerator program has been instrumental in nurturing startups that contribute significantly to the US economy.

Curriculum Alignment: Aligning university curricula with industry requirements ensures that graduates are job ready. The collaborative efforts of University of Kelaniya with the industry in developing Brands through Simulation Projects are innovative ideas to be included in university curriculums. Programs like Germany's dual education system, which combines vocational training with classroom instruction, can serve as an inspiration for Sri Lanka too.

Example in Connecting Government, Industry, and Universities to Develop Sri Lanka's Tourism Sector

The tourism sector in Sri Lanka can significantly benefit from a synergistic approach involving the government, industry, and universities. For example, the government

can develop long-term policies and provide incentives to promote sustainable tourism, such as tax breaks for eco-friendly hotels and funding for infrastructure projects like improved transportation networks. Simultaneously, the tourism industry can collaborate with universities to innovate and enhance service quality. Universities can conduct research (Eg: Sustainable tourism practices, Wildlife in developing economy) and develop specialized training programs to equip students with the skills needed in the tourism sector. A practical application of this collaboration is the establishment of a Tourism Innovation Hub, where government support, industry expertise, and academic research converge to develop new tourism products and services. This hub could focus on creating unique cultural and eco-tourism experiences, positioning Sri Lanka as a premier destination and boosting economic growth.

Conclusion

Sri Lanka stands at a critical juncture in its economic journey. By fostering stronger connections between the government, industry, and universities, the country can unlock its potential and achieve sustainable economic growth. Strategic policies, collaborative innovation, and a focus on education and skills development are key to building a resilient and competitive economy. The examples from Singapore, South Korea, and Finland offer valuable lessons that Sri Lanka can adapt to its unique context. It is imperative for all stakeholders to work together, leveraging their collective strengths to navigate the path to economic recovery and prosperity.

Everything You Need to Know About Domestic Transfer Pricing Regulations



Hiruni Banduthilaka
 Assistant Manager, Group Taxation, MAS Capital (Private) Limited
 Master of Financial Economics (University of Colombo)
 B. Sc Applied Accounting (The Institute of Chartered Accountants of Sri Lanka)

Introduction

Transfer Pricing Regulations have a long history. Transfer Pricing legislation was first introduced by the UK in 1915 as a domestic legislation (Finance Act 1915) and thereafter by the USA in 1917.

The significant growth in Multinational Enterprises (MNE’s), provided the flexibility to position their presence in multiple locations around the world. This eventually increased the number of cross border transactions among the entities within the same Group.

As there were no developed practical guidance to implement the “right price” for “intra-group” transactions, MNE’s were able save on tax cost to the Group by parking more profits and income in lower tax jurisdictions.

This creative profit shifting was a burden to the tax authorities as it impacted the tax revenue of the country. As a result, tax authorities were forced to introduce Transfer Pricing (TP) Regulations to protect the tax base. By the end of 2023, there are around 76 countries that have adopted the TP regulations as part of their Domestic Regulations including Sri Lanka.

The TP Regulations were first introduced into Sri Lanka in 2006 and the enforcement of the rules commenced only in 2013.

Basic Information and Key Provisions

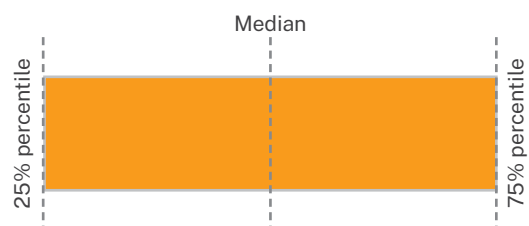
Citation for TP Regulations

- Section 76 and Section 77 of the Inland Revenue Act, No. 24 of 2017
- Official Gazette No. 2217/7 -Tuesday, March 02, 2021

Glossary

Arm’s length Price – The TP Regulation requires related parties to undertake transactions by referring to the arm’s length basis, i.e. the similar conditions that could have been agreed upon when transacting with an independent party.

Arm’s length Range – A range of prices or margins that is established by referring to the number of uncontrolled transactions with a relatively equal comparability (i.e. transactions with independent third parties).



Comparability Analysis – Examination of economically relevant characteristics of a related party to those with an independent party to determine arm’s length price.

An uncontrolled transaction shall be comparable to a transaction between related entities if;

- No material differences exist between the transactions, or
- Reasonable adjustments can be made for any differences.

Comparability Factors – Comparability factors that need to be considered are;

- Contractual terms of transactions
- Functions performed, Assets employed and Risk assumed
- Specific characteristics of the property transferred or services provided
- Economic circumstances such as geographical locations, size of the market and laws in force.

Basic Information and Key Provisions cont.

Associated enterprises (Related Party) – Two entities would become related parties if;

Voting Power	An entity holding directly or indirectly majority of the voting power in the other entity
Common Shareholder	An entity holding directly or indirectly shares with not less than 50% of the voting power in each of such entity
Borrowing / Advances / Equity	An entity providing loans or loans and equity not less than 51% of the book value of the total assets of the other entity
Guarantees	An entity guaranteeing not less than 25% of the total borrowings of the other entity
Directors	More than half of the directors, member of governing board or one or more executive directors are appointed by the other entity.
Appointment of Directors by the same person	More than half of the directors in each of two entities are appointed by the same person or persons.
Dependency	An entity on whom the manufacturing or processing of goods or business carried out is wholly dependent.
Supply	An entity supplying 90% or more of the raw materials / consumables required for manufacturing or processing performed by an undertaking
Pricing Decisions	Prices and other conditions relating to manufacture and sale of goods or articles are influenced by the other entity
Ultimate Beneficiaries	Entities are controlled by an individual or jointly by such individual and his relatives

Selection of Tested Party

“The choice of the tested party should be consistent with the functional analysis of the transaction. As a general rule, the tested party is the one to which a transfer pricing method can be applied in the most reliable manner and for which the most reliable comparables can be found, i.e. it will most often be the one that has the less complex functional analysis.”

OECD Guideline

As described above determining the “tested party” is an important step in the TP process.

Though the Sri Lanka TP regulations do not lay down steps or guideline regarding selection of tested party, there are some references presented in the OECD manual.

- Tested party should be the least complex party
- Parties with considerable intangibles and unique assets should not be considered as the tested party

Analyzing functions performed, Assets employed, Risk assumed (FAR) and the choice of the tested party should not be treated in isolation.

Accepted TP Methodologies

The Sri Lankan TP Regulations adopted five (5) methodologies prescribed by the OECD TP Guidelines.

- Comparable Uncontrolled Price Method (CUP)
- Cost Plus Method (CPM)
- Resale Price Method
- Profit Split Method
- Transactional Net Margin Method (TNNM)

Comparable Uncontrolled Method (CUP)

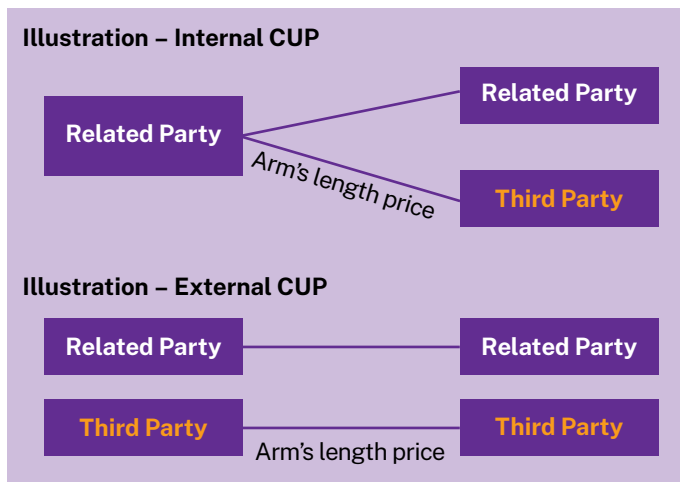
The CUP method compares the price charged for a property or service between related parties with price charged between third parties.

CUP method is generally the most effective and preferred method. CUP can be applied in two different ways; Internal CUP (comparable transactions made with third parties by Group entities) and External CUP (comparable transactions between third parties).

The product and service similarity is a very important feature under this method. In other words, conditions and the arrangement of a transaction should be nearly identical.

However, finding a perfect CUP is very difficult.

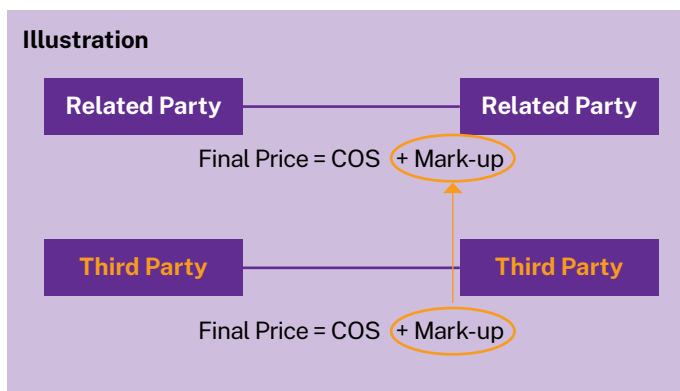
Accepted TP Methodologies cont.



Cost Plus Method (CPM)

The CPM method focuses on fair allocation of gross profit to the overall cost of sales in related party transactions. The said mark-up is then compared to the mark-up made between unrelated organizations.

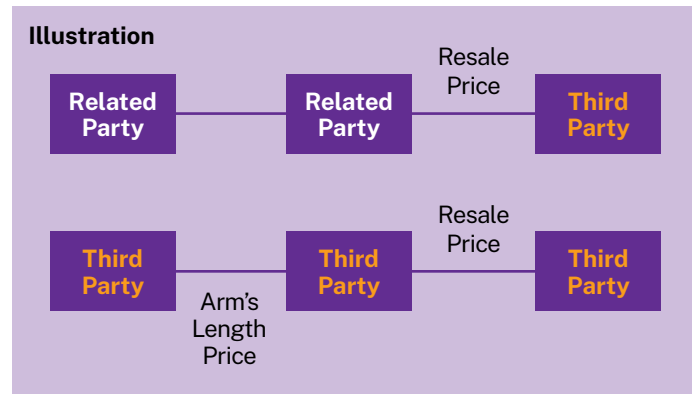
This method works well for low-risk, routine transactions such as manufacturing of semi-finished good and provision of services etc.



Resale Price Method (RPM)

The RPM is useful in determining the arm's length price earned by a distributor on the resale of products (tangible property transactions) and this method looks at gross profit divided by net sales.

When applying the RPM, minor differences in the underlying product is tolerable as comparability conditions are slightly less stringent under this method.



Profit Split Method (PSM)

This method is useful when it is difficult to observe a basis for separation of profits earned by the related parties from interconnected transactions. PSM can be used for determining how profits can be divided in a way that is fair to both parties.

The PSM is often used by companies in complex industries and companies dealing with intangibles such as tech or pharmaceutical companies.

This method is ideal when two related companies are willing to share risk rather than having all the risk of intercompany transaction(s) falling on one entity.

Transaction Net Margin Method (TNMM)

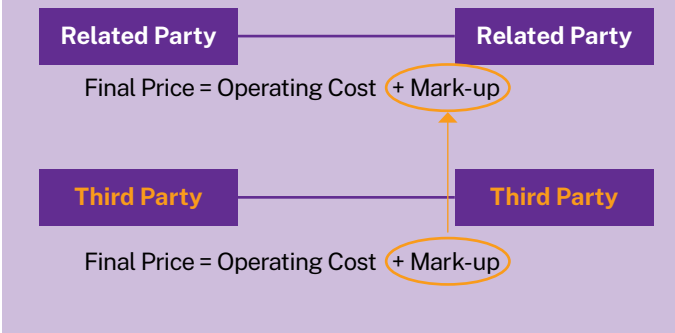
The TNMM method examines the net profit to the overall cost of sales from a related party transaction(s) to a range of results from third party transaction.

The commonly used profit-level-indicator under this method is operating profit.

The advantages of this method are that it is comparatively easy method to use, universally recognized and data necessary to calculate the margins are readily available as it relies on external data bases.

However, the TNMM is not reliable for complex business models with more intangibles and this method is more tolerant to product differences.

Illustration



Master File – Contains standard information relevant for all the members of a multinational group such as organization structure, description of the business activities, MNE’s intangibles and intercompany financial activities etc.

Country by Country Report (CbCR) – Contains broad information about the jurisdictional allocation of profits, revenues, employees, capital, accumulated earnings and assets etc.

Local File – Contains information about the local entity, controlled transactions, financial information and supporting documents etc.

Transfer Pricing Disclosure Form (TPDF) – Contains a summary of transactions carried out with related parties during the year of assessment. Taxpayers must submit a TPDF along with the Return of Income Tax.

Documentation Threshold

Master File	Prepared and maintained by a Group having Group revenue exceeding Euro 50 million for each year of assessment
CbCR	Prepared and filed by a Group having total consolidated group revenue of Euro 750 million or more
Local File	Prepared and maintained by an enterprise that carries out aggregate transactions with related parties exceeding Rs 200 million for each year of assessment
TPDF	Prepared and filed by an enterprise that carries aggregate transactions with related parties exceed Rs 200 million for each year of assessment

Submission Deadline

Master File	Within 60 days from the written request by the Tax Officer
CbCR	12 months after fiscal year end
CbCR Notification	Not later than Dec 31st of the Reporting Fiscal Year
Local File	Within 60 days from the written request by the Tax Officer
TPDF	11 months after fiscal year end

As a general rule, all transactions with associated undertakings have to be carried out at arm’s length and proper records should exist even if they fall below the reporting thresholds.

Most Appropriate Method

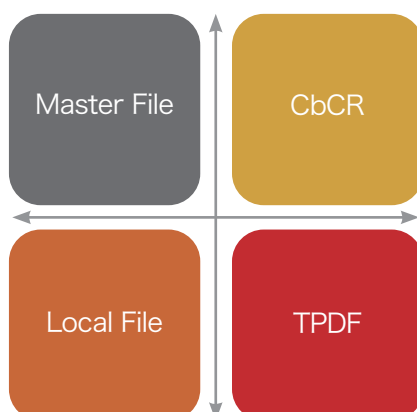
Choosing an appropriate transfer pricing method to determine the arm’s length prices for intercompany transactions is one of the critical decisions that needs to be made in the TP analysis.

The appropriateness of the recommended TP methodologies by the OECD and Sri Lankan TP regulations needs to be analyzed after a thorough review of strengths and weaknesses of each and every method. The TP method should not be the most convenient option – it should be reflective enough of the circumstances of the transaction being analyzed. Selection of an inappropriate method would impact the pricing and it will tarnish the good standing with the tax authorities.

Hence when determining the most appropriate method, following factors need to be considered.

- Functional analysis – This refers to the systematic review of functions performed, assets employed, and risks assumed by each related party
- Data availability – Availability and the reliability of uncontrolled comparable data is key
- Degree of comparability existing between related party and third-party transactions
- Extent to which the reliable and accurate adjustments can be made.

TP Documentation Requirements



TP regulations require taxpayers to retain documents for a period of five years following the year of assessment.

In case the taxpayer's operation reflects no significant change, the searches in databases for comparable should be updated every three years instead of annually.



Penalty Provisions

Not preparing and maintaining TP Documentation	A sum of not exceeding 1% of aggregate value of transactions with associated enterprises
Non submission of requested documents	A sum not exceeding Rs. 250,000
Non-disclosure of any required information	A sum of not exceeding 2% of aggregate value of transactions with associated enterprises
Non submission of documents prescribed in regulation 6 (i.e. CbCR) on or before the specified date	A sum not exceeding Rs. 100,000

TP compliance can be challenging for business owners or MNEs as it involves different and difficult tasks such as recognizing the “right match”, determining the “right price”, additional documentation requirements and high annual compliance fees.

However, on the other hand Transfer Pricing regulations can influence economic growth as the regulations direct entities to retain the “right profit” within the country and accordingly pay the “right tax”. The TP regulations therefore play a vital role in developing countries like Sri Lanka. The Sri Lankan government relies immensely on tax revenue and Sri Lanka ranks among the countries with highest tax rates. As a result, there is a tendency that MNEs may shift profits to low-tax jurisdictions in

order to reduce the tax burden to the Group. Hence TP regulations can be used as a method of protecting the tax based of the Country.

Further, the TP regulations ensure the global competitiveness. The artificial distortion of prices by MNEs can weaken the competitiveness of domestic business. So, by implementing TP regulations this unfair advantage over local competitors can be controlled. On the other profit shifting impacts a country's balance of payment. As the taxes are paid to different jurisdictions by shifting profits, there will be a real effect on current account balances.

Therefore, complying with TP Regulations should not be treated as a burden by the taxpayers and by establishing appropriate Transfer Prices, companies can minimize exposure to tax risk. It in turn improves the economic growth of the country.



EXCHANGE CRISIS, ECONOMIC REVIVAL: A JOURNEY OF POSITIVITY



Sri Lanka, a country that recently experienced a severe economic downturn and declared bankruptcy, is now showing capable indicators of an optimistic turnaround. With various economic indicators pointing towards growth and resilience, our country is on the path to reclaiming stability and prosperity. The current crisis is not a short term one that can be fixed by external financing support from outside. Poor governance, fiscal indiscipline, a restrictive trade regime, a poor investment climate, problematic monetary policy and an administered exchange rate contributed to macroeconomic differences in the last decades. Resolving a deep crisis of this nature will be somewhat problematic. But to embark on a transformative path, Sri Lanka has to have a compelling account of resilience and strategic vision. When we pursue the route courses of the Sri Lankan economic downturn, the **exchange crisis** is one of the top reasons. Hence, we should first explore on it in deep so that it provides some valuable insights for the journey of positivity.

Indrajith Karunarathna

FMAAT, MBA (Sri J'), BSc. Business Administration (Special) Hons.

FCA, FCMA, FIPA (Australia), FFA (UK), ACCA (UK), ACIM (UK), MCPM, ADCN
Economist & Business Strategist

An exchange or currency crisis could be defined as a sharp decline in the value of a country's currency against the global reserve currency, which causes a sharp decline in foreign reserves. In other words, a sharp surge in the value of the local currency is spent on purchasing one unit of the reserve currency. Foreign reserves are assets or claims that a country holds in a foreign soil. These assets fall into a wide variety of instruments ranging from short-term claims in money markets to long-term investments. The reserve currency is the one that is widely accepted in international transactions, overseas investment, and the global economy. In today's world, the US dollar is the most recognized reserve currency, along with the sterling pound, Japanese yen, and Euro, etc. Managing a high volume of reserves has become a challenge since it is required to maintain liquidity and safety of investments with a reasonable rate of return in a low interest rate environment globally.

The success of the economic revival heavily depends on as to how Sri Lankan government addresses its prolonged issue **exchange crisis** and what measures have been taken in short and long run. Without solving the hidden issues arisen from the exchange crisis, the government of Sri Lanka is unable to think about positivity towards its economy. Sri Lanka being a third world country it highly depends on other countries. In simple terms, the economy of Sri Lanka is controlled by other countries due to this high dependence of foreign reserves.

To understand the exchange crisis and its impact on the economy better, one should know the factors that trigger an exchange crisis in a nation. Most of the time, the triggering economic factors are created due to the **long-term economic mismanagement**. Economic mismanagement includes inappropriate economic policies and decisions, late decisions, lack of economic expert advices, implementation failures, and financial corruption.

Major factors to an Exchange Crisis

- Introducing a **peg system** to control exchange rates: This is a country's attempt to peg its currency to a reserve currency. In other words, this means fixing the local currency value against one unit of reserve currency to stabilize the local economy. For an example, Sri Lankan Rupee was pegged at the rate of Rs. 203 against a dollar for last six months. However, this needs massive foreign reserves to maintain the pegged or fixed exchange rate as the government or central bank has to pay the difference in foreign currency buying and selling transactions. Therefore, the system of pegging will lead to a currency crisis if the country does not have enough foreign reserves or slow GDP growth.

- Low foreign currency reserves: foreign exchange reserves are the **first line of defense** when it comes to currency crises. When a country lacks sufficient foreign currency reserves to meet the demand for basic essential import items, it cannot effectively fight its steadily depreciating local currency.
- Slow economic growth: slow economic growth will lead to low export output and will cause a reduction in export earnings and an increase in import spending. These sorts of scenarios will contribute to the **depletion of foreign currency reserves** and, ultimately, cause a currency crisis.
- High inflation: due to the inflation, export product prices will become less attractive in the international market due to rising manufacturing and other associated costs. This will lead to a **reduction in export quantities** due to rigid competition and, thereby, a reduction in reserve currency remittances into the country.

Critical Evaluation on the Economic Impact and Positivity

In most cases, the exchange crisis is not an isolated event, and usually it will affect the economic, financial, and socio-political systems of a nation. Hence, the exchange crisis cannot be seen as a normal economic crisis like unemployment or inflation, which can be sorted out or controlled if the economy is managed well, but rather a crisis that emerges as a result of complete mismanagement and corruption in all economic and non-economic activities for a long period of time. The exchange crisis arises slowly and its signs are very clear to the government of a country if they observe it closely, as the exchange crisis never arises overnight.

Hyperinflation: import inflation will rise within the country due to the higher prices being paid to import the necessary items. This will increase the prices of locally manufactured products out of fear of product shortages. In Sri Lanka, we are currently experiencing this situation, people lose **confidence in the local currency** as it is unable to buy as much stuff as it did earlier. As a result, people move towards more stable currencies to keep their savings as local currency savings evaporate very fast.

Slow economic growth: due to regular interruptions caused by the exchange crisis in the supply chain of imported raw and packing materials, the manufacturing industry will suffer in continuing its operations. This will **slow the function of the local and export-oriented industries**. The supply chain would be disrupted as a result of the following factors: supplier payments due to volatile product prices, LC opening issues,

loss of supplier confidence, supplier demand for full payment, and difficulty in finding reserve currency to settle supplier payments. For an example, recently we witnessed that many fuel ships and gas ships were waiting in Sri Lankan border for claiming their payments.

Increase in unemployment: when there is an exchange crisis, the state will put restrictions on imports of non-essential commodities to minimize the exchange crisis. As a result of this, all the business sectors that depend on importing commodities for their business operations will lose business. This will eventually lead to the discontinuation of business and, thereby, job losses. Hence, start-ups and self-employment will be **heavily affected due to the import restrictions**. This will further increase unemployment within the country. Many Sri Lankan people are now seeking the foreign job opportunities as a result the **brain drain** has been increasing in Sri Lanka.

Decline in export commodities: exporting locally manufactured products to the internal market will bring reserve currency into the country. However, for export oriented manufacturing companies to function smoothly, the downstream supply chain should be functioning without interruption. But when there is an import restriction due to an exchange crisis, the manufacturing industries will be affected in many ways, including raw material shortages, high prices for raw materials, price fluctuations, and higher inflation in the local market. **The competitive positions in the international export market would be affected** heavily due to the unattractive high product prices caused by higher production costs. In the short run, export product prices will be cheap due to the sharp currency depreciation, but in the mid to long term, domestically made product prices will increase and will become unattractive in the international market due to the high cost of labor, raw materials, and energy, which is caused by the long-term exchange crisis. At the moment, Sri Lankan Garment industry is severely affected due to the high production cost.

Foreign Direct Investment (FDI): Foreign investors seek better places to invest their money in a variety of industries. Economic stability, human resources, law and order, and return on investment will all be factors considered in the investment decision. Investors will decide to invest in a country when all factors are favorable to them. Attracting new investors will be very difficult when there is an exchange crisis in a

country, as investors will look for better places for their investments. Hence, the existing investors' investment will be impacted due to the sharp decline in the value of the local currency, as the investment in local currency and withdrawing in reserve currency is a challenge during a time of exchange crisis. It is observed that Foreign Direct Investment in to Sri Lanka has decreased from a significant amount in 2021-2022 period.

Foreign exchange reserve: the country's central bank will utilize its entire foreign currency reserve to strengthen the local currency and to avoid further depreciating against the reserve currency. This will be done as part of **bringing trust and stability to the national economy**. If the central bank does not take other measures to prevent the local currency from depreciating, it will deplete all of its foreign currency reserves. In Sri Lanka, this scenario has already exacerbated the

situation because the central bank may run out of reserve currencies to be used for imports of mandatory necessities such as medicine, food, fuel, gas and fertilizer etc.

However, Sri Lanka's foreign currency reserves which were at USD 5.7Bn as of December 2020, had marginally fallen below the foreign debt obligations for the first time in the recent past and now gradually increasing. But this situation could be changed when the government starts paying its debts by using foreign reserves. Then the economic revival will be a controversial topic and it delays the positivity. The simple solution is to have a mechanism to increase our foreign reserves without depending on other countries. Many scholars and economists have already introduced such ways for the government to step in. But this might again be a challenge as the government has announced year 2024 is an election year. So, the government's main focus will be on the election despite on the economic revival. This political instability clearly hinders all the positive ways to accomplish the economic sustainability.

In light of these challenges, the government should call for sustained efforts and strong structural reforms resonates immediately. Building on the evolution accomplished thus far, Sri Lanka must endure its journey toward economic resilience and prosperity, guided by a clear vision and unwavering commitment to inclusive development whilst driving key areas positively such as the tourism and hospitality industry, IT-BPM sector, export-oriented industries, renewable energy, and infrastructure development.

THE IMPACT OF ARTIFICIAL INTELLIGENCE ON ACCOUNTING TECHNICIANS

1. Introduction

Artificial intelligence (AI) has emerged as an interest and is the hottest topic among many professionals, including accounting technicians, who play the middle management of any organisation. This article aims to shift the perception of AI from a threat to a tool that can enhance our work. Many accounting technicians, understandably, view AI as a potential job insecurity. However, in reality, AI is a tool that can significantly increase our productivity and improve the quality of our work. It's important to dispel the misconception that AI threatens our profession. Therefore, the author of this article uses the most straightforward language to explain real insights into AI and its positive impact on the accounting profession.



Sivanathan Sivaruban

MAAT, B. Com (Spl), MBA (Aus), FCMA, FCPA PNG, HNDA
Senior Lecturer
International Training Institute
Port Moresby
Papua New Guinea

2. Artificial Intelligence and Accounting Technicians

AI stands for an intelligent computer that performs specific human tasks intelligently. AI develops from learning, thinking, and self-correction. But AI cannot replace humans. As noted, industry landscapes have changed due to rapid changes in AI and other advanced technologies. Since its inception, the new technology of ChatGPT has created more interest among many professionals, and they have started working with the sophisticated technology.

Accounting technicians work in a dynamic technology environment, and changes in these technologies must be understood within a time framework. Thus, accounting technicians develop their skills and knowledge of

the latest technological developments. AI plays a significant role in the accounting profession's current and future, so it cannot be avoided in any circumstance. AI can help accounting professionals enhance the quality and effectiveness of their roles. For example, most accounting technicians perform book-keeping tasks, and, of course, this task can be replaced with automation data processing systems with the support of AI. Therefore, accounting technicians must develop competence and knowledge of using AI tools to improve accounting-related functions at the highest standard to meet client expectations.

AI can perform the following prominent roles in the accounting profession:

1. External auditors can generate annual reports of the entity.
2. Predicative analysis can be based on the collection of company financial data.
3. Digital and AI tools can work together at the optimum level to enhance the quality of services such as auditing, accounting and financial management.
4. Saving time: Supported AI can perform the repetitive work of accounting technicians, freeing them to build the most robust relationships between clients and stakeholders. In this context, repetitive work never creates new learning. This motivates us, as replacing AI will also boost the morale of accounting technicians to enhance their skills in other areas.
5. Reducing errors: Human beings encounter errors while performing tasks as accountants. AI tools can be introduced to reduce mistakes and minimise risks. All of these changes can improve the image of the accounting profession.

All of these tasks shall be performed with the support of AI through human intervention and instruction. AI cannot replace humans but can help reduce repetitive work and enhance professional competence. However, AI cannot make strategic or complex decisions and needs professional judgment. AI can prepare the necessary analysis, but accounting professionals can also make decisions based on their professional judgment. Furthermore, most of the repetitive work can be performed by AI and automation data processing support systems, which helps save time, and this free time can be used to manage financial data to generate value addition to the clients' business.

The role of the accounting technician will not be replaced by AI. However, due to rapid changes in AI and related technology, the functions of accounting technicians will be changed. Therefore, Accounting technicians need to develop technician skills and knowledge of the updated technology changes in the profession. Suppose accounting technicians fail to follow AI, which will replace the accounting profession in the future. Most professional bodies, including AATSL, conduct workshops on AI and its impacts on accounting professionals as part of continuous professional development (CPD).

Accounting professionals are becoming lifelong learners to survive within the fraternity since knowledge and technology are rapidly changing daily. Professional accountants should be resilient to face any challenges that arise in the future.

The following activities need to be taken by the accounting fraternity.

1. More awareness needs to be conducted on AI and its implications for professionals and the industry.
2. More education must be conducted on the above topics for the upcoming accounting profession. For example, professional bodies must incorporate certain aspects of the latest technologies, such as AI, cloud computing, and other relevant subjects, into the curriculum. Thus, newly qualified professionals are ready for the new challenges that arise with the environment.
3. Professional Development Program
Professional bodies need to develop sophisticated AI programs and relevant tools to enhance the quality of professional work.

The specific limitation of AI is its pre-defined input since it is based on the program and not beyond. Further, it cannot be considered a commonsense approach since humans have not entirely replaced it. However, this AI is here to help accounting professionals improve their efficiency and effectiveness.

3. Conclusion

AI and automated technology have started to impact accounting professionals, and these AI are here to help improve professional development. Further, accounting technicians should be ready to use all AI tools to expand their profession. Most accounting technicians have started to use AI tools to save time and money and reduce errors in their work. If accounting technicians resist these changes, they will be disadvantageous and lose many of the benefits arising from AI and the latest technology.

All in all, adopting AI tools as part of the professional process can create a sustainable competitive advantage in the accounting profession. The critical success of accounting professionals is not only developing skills in accounting standards and competence but also using AI to create the highest-quality reports for clients. Professional Accountants need a more detailed report about an entity before making any strategic decisions, so it's more advisable that AI help generate the expected report at the highest standard.

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ECONOMIC REVIVAL: A JOURNEY OF POSITIVITY



Udara Madushanka Cooray

Associate Manager in Finance at LOLC Holdings PLC
MAAT, B.Sc. Finance (Special) USJ, ICASL Strategic Level

Introduction

The Sri Lankan economy has encountered several tumultuous periods marked by significant financial disruptions, recessions, and unprecedented challenges. Despite these adversities, economies have demonstrated remarkable resilience, often emerging stronger. This article delves into the multifaceted journey of economic revival, underscoring the strategies and policies that illustrate how economies can navigate downturns and foster sustainable growth. Through a comprehensive examination of historical and contemporary examples from Global context, we aim to illuminate the pathways to a positive economic future in Sri Lanka.

Understanding Economic Downturns

Economic downturns typically manifest as a significant decline in economic activity, characterized by reduced consumer spending, lower investment levels, rising unemployment, and financial instability. These downturns can be precipitated by various factors, including financial crises, geopolitical conflicts, natural disasters, and health pandemics. The 2008 global financial crisis and the COVID-19 pandemic serve as stark reminders of how vulnerable economies can be to sudden shocks.

Strategies for Economic Revival

1. Stimulating Demand

Stimulating demand is a cornerstone strategy for economic revival. Governments can deploy fiscal policies to boost economic activity. Key measures include:

- **Tax Cuts and Incentives:** Reducing taxes increases disposable income for consumers and reduces costs for businesses, encouraging spending and investment. For instance, during the COVID-19 pandemic, several countries implemented tax relief measures to support households and businesses.
- **Public Spending:** Increasing government expenditure on infrastructure, healthcare, and education can create jobs and stimulate economic growth. The American Recovery and Reinvestment Act of 2009 is a prime example, where the U.S. government invested heavily in infrastructure and social programs to counteract the recession.
- **Direct Financial Aid:** Providing direct financial assistance to individuals and businesses helps sustain consumption and business operations during downturns. The CARES Act in the United States, which included direct payments to citizens and loans to small businesses, played a crucial role in mitigating the economic impact of the COVID-19 pandemic.

2. Monetary Policy Adjustments

Monetary policy is another vital tool for economic revival. Central banks can adjust monetary policy to influence economic activity by:

- **Lowering Interest Rates:** Reducing interest rates makes borrowing cheaper, encouraging businesses to invest and consumers to spend. The Federal Reserve's decision to lower interest rates in response to the 2008 financial crisis helped stimulate economic recovery.
- **Quantitative Easing:** This involves the central bank purchasing financial assets to increase the money supply and lower interest rates. The European Central Bank's quantitative easing program, initiated in 2015, aimed to stimulate the eurozone economy by increasing liquidity and encouraging lending.

3. Infrastructure Investment

Investment in infrastructure projects can have a significant multiplier effect on the economy. These projects create jobs, improve productivity, and enhance connectivity. Examples include:

- **China's Belt and Road Initiative:** This massive infrastructure project aims to enhance trade and investment links between Asia, Europe, and Africa.

By investing in roads, railways, ports, and other infrastructure, China aims to stimulate economic growth both domestically and internationally.

- **India's National Infrastructure Pipeline:** Launched in 2019, this initiative aims to invest \$1.4 trillion in infrastructure projects over five years, covering sectors such as energy, transport, water, and sanitation. Such investments are expected to boost economic growth and job creation.

4. Supporting Innovation and Technology

Innovation and technology are critical drivers of long-term economic growth. Governments and private sectors can collaborate to foster an environment that encourages research and development (R&D), technological advancements, and entrepreneurship. Key strategies include:

- **R&D Investments:** Increasing funding for research institutions and universities can drive technological innovations. Countries like South Korea and Israel have significantly invested in R&D, leading to advancements in technology and high economic growth rates.
- **Startup Ecosystems:** Creating a supportive ecosystem for startups, including access to capital, mentorship, and market opportunities, can spur innovation. Silicon Valley in the United States is a leading example of how a robust startup ecosystem can contribute to economic prosperity.

5. Strengthening the Labor Market

A resilient labor market is essential for economic revival. Policymakers must focus on retraining and upskilling the workforce to meet the demands of evolving industries. Key measures include:

- **Vocational Training Programs:** Investing in vocational and technical education can help workers acquire new skills and adapt to changing job markets. Germany's dual education system, which combines classroom learning with hands-on training, is a model for effective vocational training.
- **Labor Market Flexibility:** Implementing policies that promote flexible work arrangements, such as remote work and part-time employment, can enhance job security and employee satisfaction. Countries with strong labor market policies, such as the Netherlands, have demonstrated greater resilience during economic downturns.

Challenges and Risks

While the journey of economic revival is filled with opportunities, it is not without challenges and risks. Policymakers must navigate several issues, including:

- **Income Inequality:** Ensuring that economic growth benefits all segments of society is crucial for long-term stability. Policies aimed at reducing income inequality, such as progressive taxation and social welfare programs, are essential.
- **Climate Change:** Addressing the impact of climate change is critical for sustainable economic growth. Investing in renewable energy, promoting energy efficiency, and implementing environmental regulations can mitigate the adverse effects of climate change.
- **Geopolitical Tensions:** Geopolitical conflicts and trade tensions can disrupt economic stability. International cooperation and diplomacy are essential to manage and resolve such conflicts.
- **Technological Disruptions:** Rapid technological advancements can lead to job displacement and economic disruption. Policymakers must focus on retraining and upskilling the workforce to adapt to changing technological landscapes.
- **Trade Facilitation:** The WTO promotes international trade by reducing trade barriers and facilitating trade agreements. Open and fairtrade practices are essential for global economic growth.
- **Collective Action:** Collaborative efforts, such as the Paris Agreement on climate change, highlight the importance of collective action in addressing global economic challenges. International cooperation is crucial for achieving sustainable and inclusive growth.

Conclusion

Economic revival is a complex and multifaceted process that demands strategic planning, effective policies, and resilience. By learning from past experiences and embracing innovation, countries can navigate economic downturns and emerge stronger. The journey of positivity in economic revival lies in the ability to adapt, innovate, and work collaboratively towards sustainable and inclusive growth.

The strategies and examples highlighted in this article offer valuable lessons for Sri Lanka. By stimulating demand through targeted fiscal policies, investing in critical infrastructure, and fostering a robust environment for innovation and technology, Sri Lanka can set the stage for a vibrant economic recovery. Additionally, strengthening the labor market through vocational training and flexible work arrangements will ensure a resilient workforce ready to meet future challenges. Adopting these actions can guide Sri Lanka toward a path of sustainable growth. Effective governance, strategic investments, and international cooperation are pivotal in this journey. By focusing on these areas, Sri Lanka can overcome its current economic challenges and achieve long-term prosperity, paving the way for a positive and thriving future.

The Role of International Cooperation

Global economic revival often requires international cooperation. Multilateral organizations such as the International Monetary Fund (IMF), World Bank, and World Trade Organization (WTO) play vital roles in providing financial assistance, fostering trade, and promoting economic stability. Key aspects include:

- **Financial Assistance:** The IMF and World Bank provide financial aid and technical assistance to countries facing economic crises. These institutions help stabilize economies and support recovery efforts.



ECONOMIC REVIVAL: A SRI LANKAN BANKING PERSPECTIVE



Angelo Paul

MBA (UK), Bsc. (Hons.) Banking & Finance (UK),
AIB (IBSL) (AM-7541),
MAAT (M-10411), Cert. in Compliance (ICA – UK) &
Cert. in Treasury & FX Operations (CBS-CBSL).

1. Introduction to the Banking Sector

Firstly, Banks play an important role in the Financial Markets where it functions under the agency capacity to borrow and lend funds among the public, due to its capital-intensive nature can bear calculated risks associated with the processes within Financial Markets. Moreover, such Risks are weighed in terms of Profits through Interest Rate Spreads, which attribute towards the Bank's Growth and returns towards its Shareholders. At the same time, a bank is a part of an interlinked Global Financial Market, where its Exposure would determine the complexity of its operations and the nature of Financial Products.

Secondly, the main players of the Financial Markets are the Depositors who seek returns for their excess funds, and the Borrowers who search for funds to suffice their requirements. It is regulated by a Monetary Authority

or Central Bank. On the other hand, a breakdown in this linkage due to factors such as Systemic Risks, Moral Hazards and Adverse Selection can lead to severe repercussions within a Financial System and spread throughout the banking sector, if not addressed adequately.

Crucially, if banks would begin to lose their credibility to borrow and lend funds due to the mistrust of Depositors and Borrowers, it would impact the overall economic activities carried out countrywide (Watson & Head 2007; Anderton 2008; Samarasiri 2017).

KEY ECONOMIC INDICATORS (Contd.)							
	2016	2017	2018	2019	2020	2021	2022 (a)
INTEREST RATES (per cent per annum at year end)							
Standing Deposit Facility Rate (SDFR)	7.00	7.25	8.00	7.00	4.50	5.00	14.50
Standing Lending Facility Rate (SLFR)	8.50	8.75	9.00	8.00	5.50	6.00	15.50
Bank Rate (v)	15.00	15.00	15.00	15.00	8.50	9.00	30.22
Legal Rate of Interest / Market Rate of Interest (w)	5.98	7.06	9.08	11.50	11.64	10.12	7.48
Money market rates							
Average weighted call money rate (AWCMR)	8.42	8.15	8.95	7.45	4.55	5.95	15.50
Treasury bill yields							
91-day	8.72	7.69	10.01	7.51	4.69	8.16	32.64
364-day	10.17	8.90	11.20	8.45	5.05	8.24	29.27
Deposit rates							
Commercial banks' average weighted deposit rate (AWDR)	8.17	9.07	8.81	8.20	5.80	4.94	14.06
Commercial banks' average weighted fixed deposit rate (AWFDR)	10.46	11.48	10.85	10.05	7.14	5.94	18.49
Commercial banks' average weighted new deposit rate (AWNDR)	11.17	10.06	10.94	8.89	4.93	6.45	23.07
Commercial banks' average weighted new fixed deposit rate (AWNFR)	11.44	10.65	11.27	9.17	5.08	6.67	23.73
NSB savings rate	4.25	4.00	4.00	4.00	3.50	3.50	3.00
NSB 12 month fixed deposit rate	11.00	11.00	10.50	9.83	5.25	5.50	12.00
Lending rates							
Commercial banks' average weighted prime lending rate (AWPR)-Weekly	11.52	11.55	12.09	9.74	5.81	8.61	27.24
Commercial banks' average weighted lending rate (AWLR)	13.20	13.88	14.40	13.59	10.29	9.87	18.70
Commercial banks' average weighted new lending rate (AWNLR)	13.94	14.31	14.54	12.80	8.38	9.48	26.20

Figure 1 - Interest Rates 2016 to 2022 (Extracted from CBSL, 2022)

2. Challenges Faced by the Banking Sector

The Sri Lankan Banking Sector has faced 2 systemic crises, namely the Easter Attacks (2019) and COVID-19 (2020 to 2021), which led to financial market stress due to impacts from low economic growth and activities, which impacted the net-credit of the banks including recovery of credit arising from Non-Performing Loans (NPLs). Central Bank of Sri Lanka (CBSL) continued to provide several incentives to borrowers and oversaw continuous financial system stability to prevent any contagion impacts (CBSL, 2020 & 2024). Currently, NPLs remain an arduous challenge for banks, as depicted below.

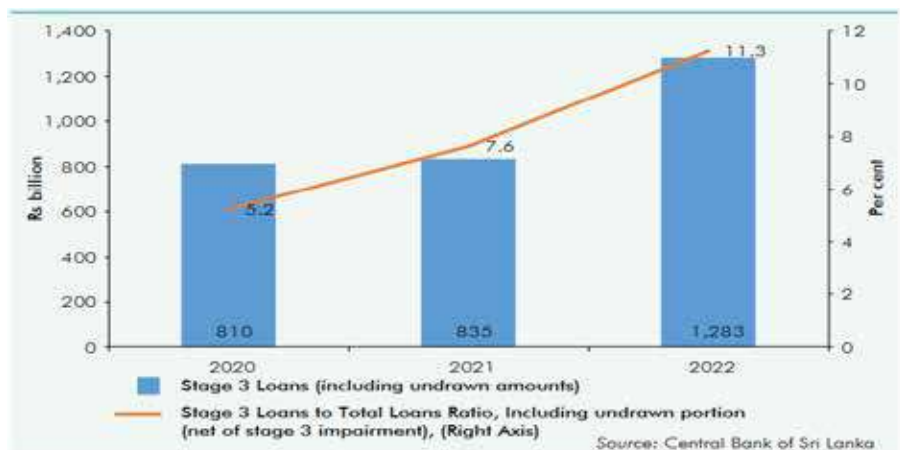


Figure 2 - Stage 3 Loans of the Banking Sector (Extracted from CBSL, 2022)

Additionally, the banking sector commenced implementation of Basel III, an up-to-date Capital Structure Best Practice which was initially founded and continues to be developed further by the Basel Committee of Banking Supervision (BCBS) of the Bank for International Settlements, if adopted requires a bank to retain sufficient capital in the form of Risk Weighted Assets (RWA's) and to also satisfy several indicators in Liquidity Assessment.



Figure 3 - Capital Requirements of Basel III (Extracted from Deloitte 2017)

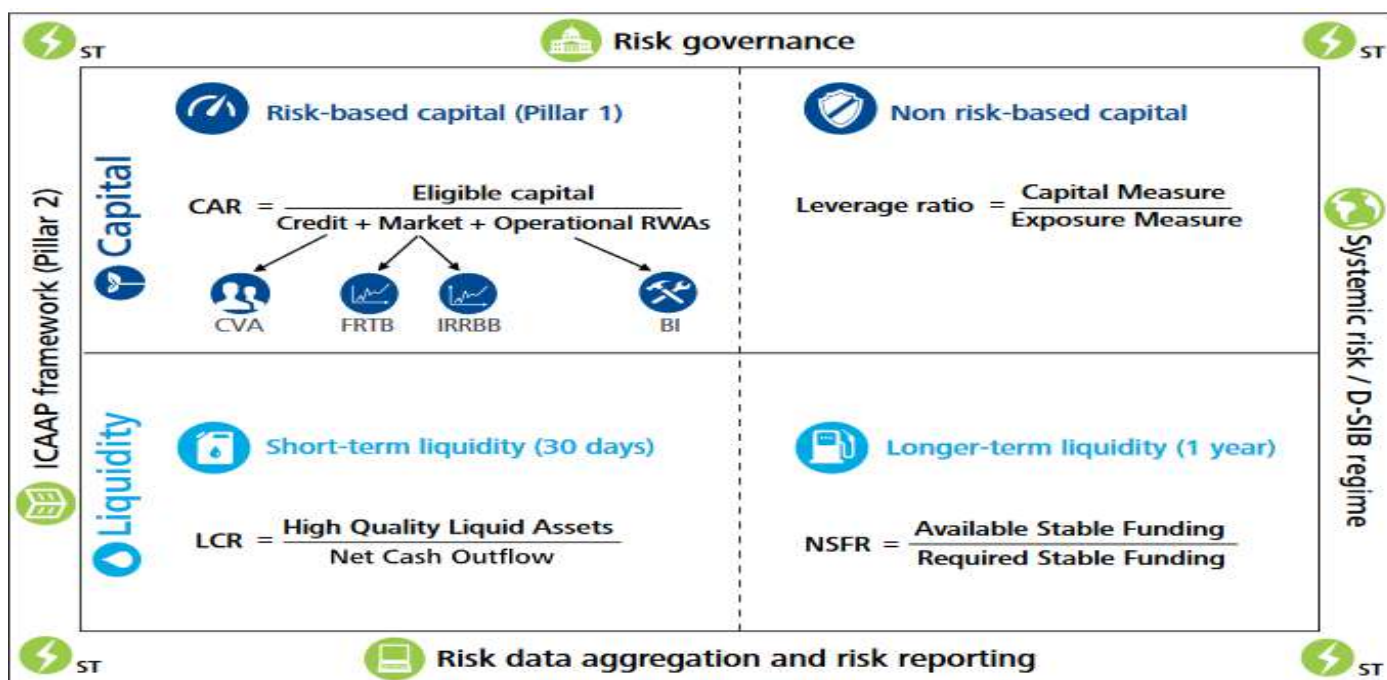


Figure 4 - Calculation of Basel III Ratios (Extracted from Deloitte 2015)

Secondly, the International Financial Reporting Standards (IFRS) Committee introduced IFRS 9 Financial Instruments to supersede the outdated IAS 39 Financial Instruments: Recognition and Measurement standard, where Financial Instruments are identified and their risks are assessed on an ongoing basis. (Deloitte 2013; EY 2018).

Category	IAS 39	IFRS 9
Subsequent measurement	The fair value. The amortized cost value. Costs (for the share-based instruments, which do not have a reliable fair value measurement).	The amortized cost (AC). Fair value through other comprehensive income (FVOCI). Fair value through profit or loss (FVTPL).
Types of classification	Fair value through profit or loss (FVTPL). Held-to-maturity (HTM). Loans and receivables (LAR). Available for sale (ASF).	The amortized cost (AC). Fair value through other comprehensive income (FVOCI). Fair value through profit or loss (FVTPL).
Reclassification	Reclassification shall be prohibited through profit or loss after initial recognition.	Change of business model.
Equity instruments	All equity instruments available for sale, are classified at fair value through other comprehensive income.	The fair value of the instrument for the purpose of trade. The irrevocable choice for the category through other comprehensive income.
Impairment	Several models of impairment. Model incurred losses.	A unified model of impairment, which applies to all financial instruments. The model of expected credit loss.

Figure 5 - Changes of IAS 39 Vs. IFRS 9 (Extracted from Integrated Economy and Society: Diversity, Creativity, and Technology 2018)

3. Recommendations

Firstly, Basel III's measurement of capital, Tangible Equity Capital is an optimum method of measuring bank risk as it would optimise capital based on the size of the bank (Idrees 2014), as Sri Lanka is not a G20 country and does not entail an excessive degree of foreign financial market exposure, for which Basel III was devised. Further, while Basel III capital standards ensures a margin of safety, it also entails a high cost of flight for Risk Weighted Assets (RWAs), if not would lead to adverse impact on the day-to-day functions of the bank, such as lending caps.

Secondly, there is a difficulty of applying IFRS 9 standards on ongoing projects; hence, several countries would withhold implementation on such projects and

lack of information to correctly evaluate the impacts of IFRS 9 (Huian 2012). Next, impact of different legal systems and institutions differ in each country that would also vary with the country's policy and its benefits would materialise on the long term. It is cautioned that Regulation should not override Fair Value accounting (Hwang et al. 2018). IFRS tends to use different factors for classification and hence not always arbitrary (Nobes & Stadler 2013). The implementation of IFRS 9 would vary with the country, regulation, and market conditions, hence would affect foreign market transactions.

Thirdly, a Risk would refer to an uncertainty that the FI would incur a future loss, where Risk Management would refer to taking steps to mitigate that loss. Enterprise

Risk Management is a solution towards banks where objectives need to be aligned with the risk appetite of the bank, to accurately map and address risk deficiencies. Similarly, the Risk Management Committees of banks would need to oversee and constantly evaluate the emerging and present risks to mitigate the adverse impacts, in this instance with reference to the impacts. Cyber Security would need to be considered due to an entire bank's system would be online and on cloud storage, which requires security and encryption to prevent cyber-attacks.

4. Conclusion

As the banks continue to navigate through a Low Interest Rate Market, with rising NPL ratios, Sri Lanka has begun to see a certain degree of growth and recovery. CBSL would require full autonomy to perform its principal activities, which are Economic and price stability & Financial System Stability. In the banks way forward, it would require to be cautious of overheating of the banking sector, where it would require to implement timely policies and procedures to safeguard the interests of all its stakeholders.

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Economic Revival: A Journey of Positivity

The global economy has faced numerous challenges over the past few years, including the COVID-19 pandemic, geopolitical tensions, and supply chain disruptions. As countries around the world strive for economic recovery, Sri Lanka stands at a critical juncture. The journey towards economic revival requires a blend of positivity, innovation, and strategic planning. This article explores key aspects of economic revival, highlighting creative solutions and innovative approaches to stimulate growth and development.



M E A Udarika
MAAT
Audit Supervisor at DSM & Company

I. Understanding The Current Economic Landscape

Sri Lanka, like many other countries, has experienced significant economic turbulence. The pandemic severely affected tourism, a major revenue source, and disrupted domestic industries. Additionally, inflationary pressures, rising debt levels, and currency depreciation have compounded the challenges. Despite these obstacles, there is a growing sense of optimism about the potential for economic recovery.

Following statements are mentioned in official website of The World Bank in Sri Lanka, that highlights about Sustainability Growth,

“According to the latest South Asia Economic Focus and the Sri Lanka Development Update, Sri Lanka’s real GDP is expected to fall by 9.2 percent in 2022 and a further 4.2 percent in 2023.”

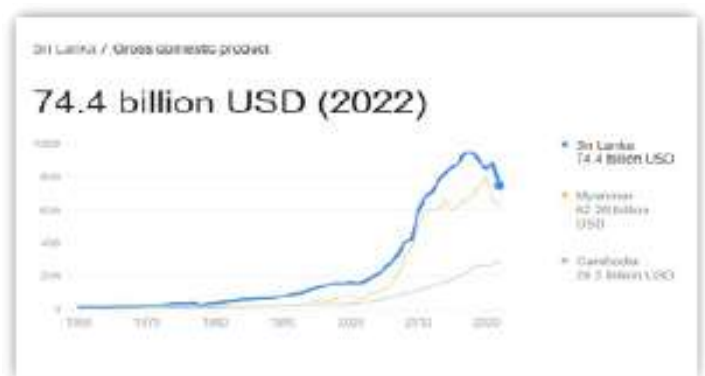


Figure (a): GDP of Sri Lanka, in past years.

The government's proactive measures, such as fiscal stimulus packages and monetary easing, have laid the groundwork for economic stabilization. However, achieving sustainable growth requires a multifaceted approach that addresses both short-term recovery and long-term resilience.



Figure (b): Achieve Sustainable growth by Developing the GDP.

II. Embracing Innovation and Technology

Embracing innovation and technology is key to economic recovery. Digital transformation enhances productivity and efficiency in various sectors. During the pandemic, digital payment systems and e-commerce have created new business opportunities. Investing in IT and BPO can generate high-value jobs and attract foreign investment to Sri Lanka, leveraging its strategic location and skilled workforce.



Figure (c): Innovative Entrepreneur.

III. Fostering Entrepreneurship and SMEs

SMEs are vital to Sri Lanka's economy. Supporting them with favorable policies, finance access, and capacity-building is essential. Business incubators, accelerators, and innovation hubs can nurture startups. Government and private sector collaboration can offer mentorship and training. Simplifying regulations and providing microfinance can boost SME growth, fostering innovation and sustainable economic progress.



Figure (d): SMEs

IV. Sustainable Development and Green Economy

Sustainability is a key pillar of economic revival. The transition to a green economy presents both challenges and opportunities. Investing in renewable energy sources, such as solar and wind power, can reduce reliance on fossil fuels and enhance energy security. Additionally, promoting sustainable agricultural practices and eco-friendly tourism can contribute to environmental conservation while generating economic benefits.



Figure (e): Green Economy.

Policymakers should prioritize green infrastructure projects and incentivize businesses to adopt sustainable practices. By aligning economic recovery efforts with environmental goals, Sri Lanka can achieve long-term resilience and prosperity.

The government’s commitment to reducing carbon emissions and promoting environmental sustainability is evident in initiatives such as the National Green Energy Policy. Encouraging private sector investment in renewable energy projects and offering tax incentives for green businesses can further accelerate the transition to a green economy.

V. Strengthening Human Capital

Human capital development is essential for economic revival. Education and skills training programs should be aligned with the evolving needs of the labor market. Enhancing vocational and technical education can equip the workforce with the skills required for high-demand sectors.

The Importance of Human Capital in Economic Growth

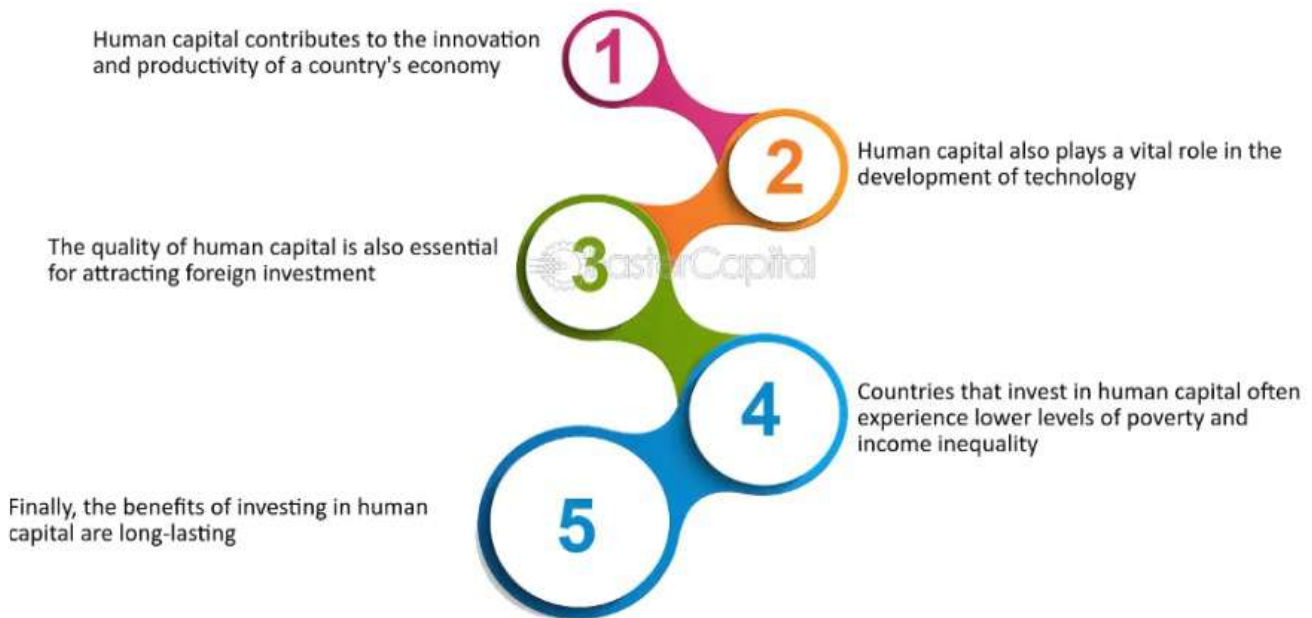


Figure (f): Human Capital in Economic Growth.

The government’s focus on improving the quality of education and expanding access to vocational training programs can address skill gaps and prepare the workforce for future challenges. Collaborations with industry leaders can ensure that training programs are aligned with market demands, thereby enhancing employability, and driving economic growth.

VI. Enhancing Global Trade and Investment

Reviving international trade and attracting foreign investment are critical components of economic recovery. Sri Lanka should leverage its strategic location and trade agreements to expand market access for its products and services. Strengthening trade relations with key partners and exploring new markets can boost exports and generate foreign exchange earnings.



Figure (g): Global Trade and Investment Development.

To attract foreign direct investment, Sri Lanka must streamline regulations, ensure political stability, and offer investor incentives. Enhancing ease of business and targeting high-growth sectors like tourism, manufacturing, and agriculture will boost competitiveness and economic growth.

VII. Promoting Inclusive Growth

Economic revival must be inclusive, ensuring that the benefits of growth are shared equitably across all segments of society. Policies aimed at reducing income inequality, enhancing social protection, and providing equal opportunities for all can contribute to a more inclusive economy.

Investing in social infrastructure, such as healthcare and education, can improve living standards and promote social cohesion. Additionally, targeted programs to support marginalized and vulnerable groups can ensure that no one is left behind in the journey towards economic recovery.



Figure (h): Inclusive Growth

The government's focus on social welfare programs, including poverty alleviation initiatives and support for rural development, can enhance social equity and contribute to sustainable economic growth. By prioritizing inclusive growth, Sri Lanka can build a resilient economy that benefits all citizens.

VIII. Conclusion

The journey towards economic revival is a collective effort that requires the collaboration of all stakeholders, including the government, private sector, and civil society. By embracing innovation, fostering entrepreneurship, prioritizing sustainability, and investing in human capital, Sri Lanka can navigate the path to economic recovery with positivity and resilience. As we look to the future, it is essential to remain optimistic and committed to building a prosperous and sustainable economy for all Sri Lankans.

Sri Lanka can transform its economic landscape and emerge stronger from the current crisis. The key lies in harnessing the potential of its people, leveraging its strategic advantages, and fostering a culture of innovation and sustainability. Together, we can embark on this journey of positivity and pave the way for a brighter economic future.



Figure (i): journey of positivity

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Economic Revival: A Journey of Positivity – A Sri Lankan Perspective



Dinesh Jeyaraj

FMAAT, ACA, FCCA (UK), Masters in Financial Economics, Masters in Project Management

1.0 Introduction

Sri Lanka's economic resurgence demonstrates resilience and strategic planning amid challenges like COVID-19, political instability, and debt crises. Despite hurdles, the nation is on a positive recovery path. This article explores Sri Lanka's strategies for economic revival, focusing on government policies, private sector involvement, key sectors such as tourism and technology, and international cooperation for sustainable development.

2.0 Economic Context and Challenges

Sri Lanka's economy, traditionally reliant on agriculture, manufacturing, and services, notably tea, rubber, and coconut exports, faced deep scars from the 26-year civil war, which ended in 2009. Despite post-war rebuilding efforts, vulnerabilities persisted, exacerbated by the COVID-19 pandemic. The pandemic caused a significant economic downturn, particularly impacting tourism, manufacturing, and exports.

3.0 Government Initiatives and Reforms

To tackle these issues, Sri Lanka's government initiated economic reforms to stabilize the economy, draw foreign investment, and promote sustainable growth. These reforms involve fiscal consolidation, monetary policy adjustments, and structural changes in key sectors.

3.1 Fiscal and Monetary Policies

The government has embarked on fiscal consolidation efforts to reduce the budget deficit and public debt, which stood at 101% of GDP in 2020 (International Monetary Fund, 2021). Measures include broadening the tax base, improving tax administration, and reducing non-essential expenditures. On the monetary front, the Central Bank of Sri Lanka has adopted an accommodative stance to support economic recovery, including reducing policy interest rates and providing liquidity support to the banking sector (Central Bank of Sri Lanka, 2021).

3.2 Structural Reforms

Structural reforms have focused on enhancing the business environment, improving infrastructure, and promoting innovation and entrepreneurship. The introduction of the National Export Strategy (NES) aims to diversify export markets and products, reduce trade barriers, and enhance competitiveness (Export Development Board, 2018). Additionally, the government's Vision 2025 policy framework outlines strategies for digital transformation, skills development, and inclusive growth (Ministry of Finance, 2017).

3.3 Tourism Sector

The tourism sector, a vital contributor to foreign exchange earnings, is rebounding as international borders gradually reopen and health protocols are enforced. Initiatives like the "Sri Lanka: Wonder of Asia" campaign promote cultural heritage, natural beauty, and wellness tourism (Sri Lanka Tourism Development Authority, 2021). Infrastructure investments, including new hotels, further support sector recovery.

Historically crucial to Sri Lanka's economy, tourism faced severe setbacks from the 2019 Easter Sunday attacks and the subsequent COVID-19 pandemic, resulting in sharp declines in tourist arrivals. To drive economic revival, the government initiated various measures to revitalize tourism.

The "Visit Sri Lanka 2025" campaign showcases the island's cultural heritage, beaches, and wildlife to attract tourists. Infrastructure enhancements, like airports and roads, are underway to improve the tourist experience (Ministry of Tourism, 2023). These efforts are yielding positive results, evidenced by rising tourist arrivals and revenues post-pandemic.

3.4 Agriculture and Manufacturing

Agriculture remains vital for rural livelihoods and food security, with government policies focusing on modernization, productivity improvement, and organic farming. Initiatives like the "National Food Production Programme" aim to boost staple crop output through advanced farming techniques and technology adoption (Department of Agriculture, 2022), including fertilizer subsidies, irrigation investments, and support for smallholder farmers (Ministry of Agriculture, 2020). Additionally, there's a shift towards sustainable agriculture, not only for environmental protection but also to enhance Sri Lankan produce's appeal in sustainability-focused global markets (Fernando, 2023), crucial for rural economies and overall economic resilience.

In the manufacturing sector, especially textiles and apparel, adaptation to the new normal involves embracing digital technologies, innovation, and sustainable practices. Automation, e-commerce platforms, and sustainability initiatives enable manufacturers to stay competitive globally (Board of Investment of Sri Lanka, 2021).

3.5 Technology: Driving Innovation and Growth

The technology sector in Sri Lanka offers significant opportunities for economic growth and diversification. The government's "Digital Economy Strategy 2030" aims to transition the country into a knowledge-based economy by improving digital infrastructure, promoting ICT education, and nurturing a startup ecosystem (ICTA, 2023).

Investments in digital infrastructure, including broadband expansion and technology parks, are crucial for supporting tech-driven industries. Efforts to upskill the workforce in software development, cybersecurity, and data analytics aim to enhance competitiveness in the global tech market (Wijesinghe, 2023), leading to high-value job creation, foreign investment attraction, and cross-industry innovation.

3.6 International Cooperation and Support

International cooperation has played a vital role in Sri Lanka's economic recovery. The country has received financial aid, technical expertise, and market access from various international partners.

Engagement with multilateral organizations like the IMF and World Bank has been crucial, leading to agreements such as the recent IMF bailout package, stabilizing the economy and restoring investor confidence (IMF, 2023). Bilateral trade agreements with nations like India and China are also significant, expanding market access and attracting foreign direct investment (FDI). These partnerships not only offer financial support but also facilitate knowledge transfer and technological advancements essential for long-term economic growth (Jayawardena, 2023).

3.7 Financial Assistance

Sri Lanka has received financial support from international financial institutions such as the International Monetary Fund (IMF), World Bank, and Asian Development Bank (ADB). These funds have been

used to stabilize the economy, support social protection programs, and finance infrastructure projects (International Monetary Fund, 2021).
Trade and Investment Partnerships

Bilateral and multilateral trade agreements have opened new markets for Sri Lankan exports and attracted foreign direct investment (FDI). The Sri Lanka-Singapore Free Trade Agreement (SLSFTA) and the Generalized Scheme of Preferences Plus (GSP+) with the European Union are examples of such partnerships (Ministry of Foreign Affairs, 2018). These agreements not only enhance market access but also promote technology transfer and capacity building.

3.8 Sustainable Development: A Long-term Vision

Sustainable development is central to Sri Lanka's economic strategy, aligned with the United Nations' Sustainable Development Goals (SDGs). Focus areas include renewable energy, environmental conservation, and social equity.

Renewable energy projects like wind and solar farms aim to lessen reliance on fossil fuels and bolster energy security (Sri Lanka Sustainable Energy Authority, 2023). Environmental conservation efforts target biodiversity preservation and eco-tourism promotion, harmonizing economic growth with environmental care. Social equity initiatives prioritize poverty reduction, enhanced education and healthcare access, ensuring broad sharing of economic growth benefits (UNDP, 2023).

4.0 Future Prospects and Conclusion

Sri Lanka prioritizes key sectors like tourism, agriculture, and technology, while embracing sustainable development for a positive economic future. Challenges include high public debt, political instability, and vulnerability to external shocks. Effective governance and prudent economic management are vital.

Improving the business environment, investing in human capital, and fostering regional integration are crucial for long-term stability and prosperity. Leveraging its strategic location, cultural heritage, and natural resources, Sri Lanka can become a vibrant economy in South Asia.

In conclusion, Sri Lanka's economic revival showcases resilience and strategic vision. Despite challenges, proactive policies, private sector dynamism, and international support fuel positive momentum. Focus should be on sustaining growth through diversification, innovation, and inclusive development.

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Awards won by AAT

AAT Sri Lanka secured the prestigious Gold Award in the Associations and Societies Sector at the National Business Excellence Awards conducted by the National Chamber of Commerce in 2023, for the 9th consecutive year.



AAT Sri Lanka secured the prestigious Silver Award in the Associations and Societies Sector at the National Business Excellence Awards (NBEA) conducted by the National Chamber of Commerce of Sri Lanka in 2024. This is the 10th consecutive year AAT was able to secure an award at the Associations and Societies sector of the NBEA Awards.

Gold Award Winner

Non-Governmental Organisations (Including NPOs) Sector
Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosures Competition 2022
Organized by South Asian Federation of Accountants (SAFA)



Not-For-Profit Organisations (NPO) Including Non-Governmental Organisations (NGO) Sector
Transparency, Accountability, Governance & Sustainability (TAGS) Awards - 2023 organized by CA Sri Lanka





The Most Outstanding Service Excellence Organization of Sri Lanka (Jury Awards)

The **Most Outstanding Service Excellence Organization of Sri Lanka (Jury Awards)** was presented to the AAT Sri Lanka at the Business World International Awards – 2023 on 17th May 2024, organized by BWIO.



Dhamma Sermons at AAT

AAT Members' Welfare and Benevolent Committee and AAT Staff Welfare Society jointly organized a Dhamma Sermon session on 21st May, 2024, at the AAT Head Office with Ven. Professor Agalakada Sirisumana Thero conducting the Session.





AAT Members' New Year Celebrations 2024

AAT New Year Celebrations 2024 organized by the Members' Welfare and Benevolent Committee of AAT Sri Lanka (2024/25) was held on 27th April 2024 at APE GAMA, Battaramulla in a colorful manner with the participation of

AAT Members and their immediate family members as well as AAT Governing Council Members. Members and families along with kids had a fun filled and energetic day and walked away with many gifts at this Avurudu event.



Seminars/Webinars

conducted in 2024 facilitating CPD of members

The Conference and Public Seminars Committee of AAT Sri Lanka organized seminars and webinars on a wide range of topics covering “Nail your next job interview”, “Earn while you are sleeping”, “Credit for non-credit”, “Wickets to

wisdom”, “Enhancing skills & expanding horizons - unlock your potential in tax practice” and “Customer centricity for Accountants” in the year 2024 by the mid of the year.







Seminars/Webinars

conducted in 2024 facilitating CPD of members

CREDIT for NON-CREDIT

Speaker
Mr. Sanjaya Ranatunga
Marketing Consultant,
Thinol Engineering Pvt Ltd

Mr. Ranatunga was Former Head of Credit / Assistant General Manager attached to the Merchant Bank of Sri Lanka and served 20 years of experience.

Join the Seminar on
10th May 2024 at 6.00 pm to 7.30 pm
Register Before : 9th May 2024

1.5 CPD

INVESTMENT
AAT MEMBERS / AAT SRS
NOT ELIGIBLE / AAT MEMBERS
RS. 200000
SINCE 1st JULY 2023 ON

MEDIUM
Medium

VENUE
AAT Sri Lanka
AAT Sri Lanka
and its ZOOM!

PAYMENT METHODS

MEMBERS TO ATTEND

BOOK OF SPEECH POLICY / **MEMBERSHIP NUMBER** / **NAME OF ACCOUNT HOLDER** / **AAT SRI LANKA** / **ACCOUNT NO.** / **PHONE NO.**

EMPOWERED BY
COMMISSIONER &
PUBLIC BUSINESS COMMISSIONER

FOR MORE INFO
harshani@aat.lk
www.aat.lk

CORPORATE SPONSORS: airtel, mca Solutions, etc.



CUSTOMER CENTRICITY FOR ACCOUNTANTS

CPD ACCREDITED

LIVE VIRTUAL SEMINAR

Customer centricity is essential to foster a more collaborative and supportive relationship between accountants and stakeholders, leading better outcomes. This seminar aims at engaging participants to understand the importance of customer centric positioning of accounting services.

JOIN THE SEMINAR ON
16th July 2024
6.00 pm - 7.00 pm

Speaker
Mr. Nishantha Gunasekara
Managing Director,
Emsoly Consultants

INVESTMENT
FREE

VENUE
zoom

MEDIUM
BILINGUAL

EMPOWERED BY
COMMISSIONER &
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The Right Setting

Strategy Structure Culture

Customer Focus

AAT Poson Bathi Gee Competition 2024 for Members

AAT Members' Welfare and Benevolent Committee of AAT Sri Lanka hosted the AAT Poson Bathi Gee Competition 2024 at the AAT Centre on June 18, 2024 for the active members of AAT. This competition was organized under group categories and Five groups competed accordingly showcasing exceptional singing talents.

Mr. Malith Dhanusekara's Group won the first place and was awarded with a valuable cash prize while Mr. Tilanjana Kuruwita Arachchi's Group and Mr. Milan Chanaka's Groups won Second and Third places respectively securing cash prizes .





Continuing Professional Development and Membership Upgrading

A SPECIAL SCHEME TO UPGRADE

from

MAAT ▶ SAT

SAT ▶ FMAAT

This scheme facilitates the members who have been in one and the same membership category for a long period of time whose CPD compliance has been little below than the prescribed credits as per existing CPD criteria (Ex: 120 CPDs under any membership category). However, complete waiver of CPD is not accommodated under this special scheme.

CONDITIONS

- Members who wish to avail of this special scheme should **apply for life membership upgrading** (unless they are life members currently).
- Application has to be accompanied by a CV/Resume demonstrating the relevant experience at each level of work capacity.

SPECIAL UPGRADING CRITERIA

1. Eligibility criteria - From MAAT to SAT

The member should possess 10 years of continued active membership after obtaining MAAT till now. Also, he/she should have completed a continuous 10-year work period while having a minimum of 5 years in the executive level / similar capacity or higher after admission to MAAT.

2. Eligibility criteria - From SAT to FMAAT

The member should possess 10 years of continued active membership after obtaining SAT till currently. Also, he should have completed a continuous 10-year work period in the managerial level or a similar capacity based on the type of organization at the time of applying for FMAAT.

For further details, please follow
www.aatsl.lk > member > special offers schemes

Please contact the Membership Division for clarifications if any via
harshani@aatsl.lk / membership@aatsl.lk or
 on 0112 559 669 / 0762 559 669.

AAT Membership upgrading and CPD

CPD has been considered as an integral part of the eligibility for upgrading to upper categories of membership as shown below.

Upgrading to SAT category

Five years (05) of Executive Level Experience in one or more core areas related to the profession after obtaining MAAT title subject to 120 CPD requirement.

Upgrading to FMAAT category

Five years (05) of Managerial Experience in one or more core areas related to the profession after obtaining SAT title subject to 120 CPD requirement.

Minimum CPD requirement

All members irrespective of membership category (FMAAT, SAT, MAAT) and membership type (Life, ordinary) are required to comply with the CPD requirement.

The minimum CPD requirement is set out below. Members are required to comply with **both the annual and the three year rolling requirement**.

	Annual Minimum Requirement	3 - Year Rolling Requirement
Verifiable	10	60
Non-Verifiable	10	60
Total	20	120

Transitional CPD

As the new scheme has been introduced in January 2022, the 120 CPDs in 3 year rolling requirement will be completely applicable from 1st January 2025. What is currently applied is a transitional provision as given below.

MAAT MEMBER			
No. of years in membership by 1 st January 2022	Maximum CPD that can be carried forward	Minimum CPD to qualify for the transition	Balance years of experience required for upgrading
4 years	112 (28 x 4 years)	92 ((120-28))	1 year
3 years	84 (28 x 3 years)	69 ((92/4)*3)	2 years
2 years	56 (28 x 2 years)	46 ((84/3)*2)	3 years
1 year	28	23 ((46/2)*1)	4 years
SAT MEMBER			
No. of years in membership by 1 st January 2022	Maximum CPD that can be carried forward	Minimum CPD to qualify for the transition	Balance years of experiences required for upgrading
4 years	72 (18 x 4 years)	62 ((80-18))	1 year
3 years	54 (18 x 3 years)	46 ((62/4)*3)	2 years
2 years	36 (18 x 2 years)	30 ((46/3)*2)	3 years
1 year	18	15 ((30/2)*1)	4 years

Non-compliance with CPD

If a member does not comply with the minimum verifiable requirement in a year, that particular year will not be counted as an active year for the membership upgrading. Persistent non-compliance for three years whether deliberate or unintentional, will be a concern.

For complete details on CPD, please visit <https://www.aatsl.lk/images/pdf/cpd-booklet.pdf>.





Indraka Liyanage becomes the President of AAT Sri Lanka for 2024-2025

Mr. Indraka Liyanage was appointed as the 13th President of the Association of Accounting Technicians of Sri Lanka (AAT Sri Lanka) for the period 2024 – 2025. His official induction ceremony took place at the Hotel Galadari on 25th March 2024. The event was graced by Prof. P. M. C. Thilakerathne, Vice Chancellor of the Open University of Sri Lanka, who served as the Chief Guest, and Mr. Chandana Aluthgama, Group Chief Executive Officer of Sri Lanka Insurance Corporation, who participated as the Guest of Honour. The ceremony was also attended by Past Presidents of AAT Sri Lanka, members of the Governing Council and other well-wishers.

Mr. Liyanage is a Fellow member of AAT Sri Lanka and holds a Commonwealth Executive MBA from the Open University of Sri Lanka, along with a Postgraduate qualification from CA Sri Lanka. He is currently the Head of Risk Management at Siyapatha Finance PLC and serves on the advisory board of RIMS South Asia Chapter. Additionally, he is a Senior Fellow member of the Institute of Bankers of Sri Lanka, a GSLID graduate of the Institute of Directors of Sri Lanka, a Fellow member of the Chartered Institute of Credit Management (UK), and holds MCISI (UK) status. With over 30 years of experience in the banking and financial sector,

Mr. Liyanage was recognized as the Best CRO in the banking sector by the Golden Globe Tigers Awards in 2019.

Since his appointment to the Governing Council of AAT Sri Lanka in 2012, Mr. Liyanage has held roles as Chairman, Alternate Chairman, and committee member, making significant contributions to their success. His tenure on the council, including four years as Honorary Secretary, have provided AAT Sri Lanka with valuable insights into the organization's operations

As the 13th President, Mr. Liyanage is well-positioned to lead AAT Sri Lanka's growth, leveraging his expertise in the finance sector. His dedication and vision will be instrumental in advancing the development of middle-level accounting professionals.



Installation Ceremony of the AATSL Toastmasters Clubs 24/25

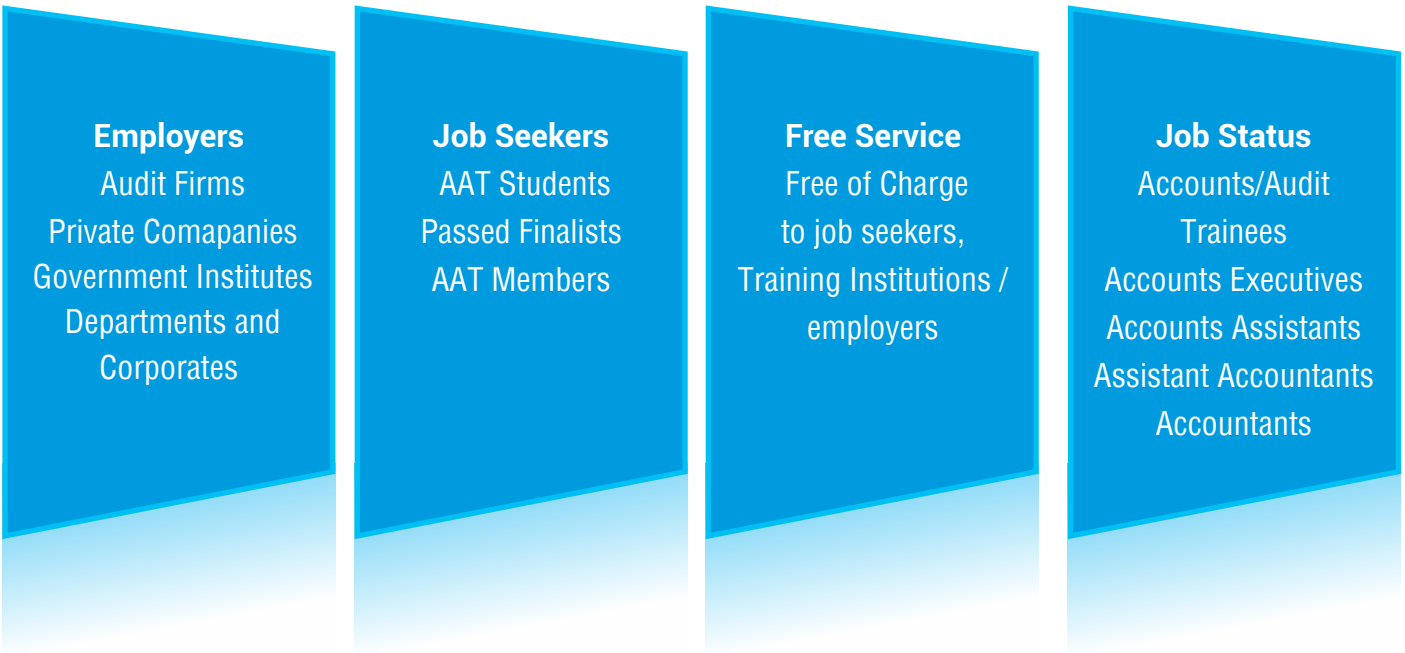
We are thrilled to announce the successful completion of the Installation ceremony of the AATSL Toastmasters and AATSL Emerging Toastmasters Clubs. The event took place at AATSL Auditorium on 12th July 2024. Mr. Indraka Liyanage, President of AAT Sri Lanka graced the occasion as the Chief Guest which was an honour for the Club as he is also a Toastmaster. The installation of the Executive Committee for 2024/25 was the key highlight of the event, which was followed by many other events such as the outgoing Presidents' speeches, key note speech by DTM Balraj Arunasalam, new member introduction, award ceremony and colourful entertainment items.





Unlocking Opportunities in Accounting, Finance, and Business

AAT JOB BANK



As part of our commitment to nurturing accounting professionals and bridging the gap between education and employment, AAT Sri Lanka has established the AAT Job Bank. This platform serves as a vital resource for job seekers, training organizations, and companies looking to recruit talented accounting professionals.

The AAT Job Bank operates as a two-fold system, offering unique advantages to both job seekers and training organizations/companies. For job seekers, including AAT registered students, Passed Finalists, and Members looking to advance their careers, the job bank provides a centralized hub where they can explore a wide range of training and employment opportunities within the accounting sector. Whether individuals are seeking internships, entry-level positions, or senior roles, the AAT Job Bank offers a diverse selection of job listings tailored to their skill set and career goals.

On the other hand, training organizations and companies benefit from the AAT Job Bank by gaining access to a pool of qualified and competent accounting professionals. By tapping into this resource, businesses can connect with potential candidates who have undergone rigorous training and education through the AAT curriculum. This ensures that employers have access to top-tier talent that possesses the necessary knowledge and expertise to drive their organizations forward.

One of the key requirements for AAT Passed Finalists is to complete one year of practical training to become eligible for membership in the Association. The AAT Job Bank plays a pivotal role in facilitating this process by linking Passed Finalists with training opportunities that align with their career aspirations. Through the job bank, Passed Finalists can explore training programs offered by reputable organizations and gain hands-on experience that complements their academic achievements.

To take advantage of the myriad opportunities available through the AAT Job Bank, interested individuals can easily register by visiting the AAT Sri Lanka website (www.aatsl.lk) and navigating to the Training Menu section where the Job Bank registration portal is located. By registering with the AAT Job Bank, individuals can gain access to a host of exciting opportunities that will empower them to achieve their career aspirations and contribute to the growth of the accounting profession in Sri Lanka.

For any inquiries or additional information regarding the AAT Job Bank, individuals can contact the Association directly at 011-2559 669, extension 211. The dedicated team at AAT Sri Lanka is committed to assisting job seekers, training organizations, and companies in leveraging the job bank to fulfill their recruitment and career advancement needs.



A Memorandum of Understanding between the **Business School of AAT Sri Lanka and Postgraduate Institute of Management (PIM)**

An MoU was signed on 10th July 2024 between the Business School of AAT Sri Lanka and Postgraduate Institute of Management (PIM).

The agreement's primary collaboration is for the prestigious qualification holders of the Higher Diploma in Accounting & Finance offered by AAT Business School to have a direct entry to the Postgraduate Diploma in Management (PDM) offered by PIM. Further, the Diploma in Accounting and Business -

Passed Finalists of AAT Sri Lanka with relevant working experience too can follow the Postgraduate Diploma in Management (PDM) at the PIM. This will be a pathway to continue studies until MBA at PIM.

Mr. Indraka Liyanage, President of AAT Sri Lanka and other dignitaries of AAT Sri Lanka alongside Dr. Asanga Ranasinghe, Director PIM and officials of PIM came together to solidify this partnership officially.



SAB Campus of CA Sri Lanka signs MOU with AATSL for BSc. in Applied Accounting Degree Exemptions

The SAB Campus of The Chartered Institute of Sri Lanka (CA Sri Lanka) and the Association of Accounting Technicians Sri Lanka (AATSL) recently forged a new path in accounting by signing a Memorandum of Understanding (MoU) aimed at advancing and collaborating professional education. The MOU grants exemptions for members of AATSL by way of lateral entry to the BSc. in Applied Accounting (General) Degree Programme.

The primary objective of this collaboration is to enhance the qualification process for students aiming to obtain an accounting degree from CA Sri Lanka. By providing these exemptions, the MoU opens up new avenues for AATSL members to pursue a globally recognized degree that is approved by the Ministry of Education and recognized by the University Grants Commission. This partnership not only reinforces the commitment of both institutions to academic excellence but also ensures that students have access to a world-class education that meets international standards.





Upcoming events for members

RISE TO CONQUER
Resilient | Innovate | Synergize | Empower
BUSINESS CONFERENCE 2024
1ST & 2ND OCTOBER 2024
WATERS EDGE, BATTARAMULLA

SESSION 1 - RESILIENT
Dr. Lasantha Malavige
Member & CEO, Laxson Lanka Insurance Co.

SESSION 2 - INNOVATE
Mr. Shohan Kulasekera
Partner, PWC Sri Lanka

SESSION 3 - SYNERGIZE
Ms. Sherin Cader
Chief Financial Officer & Financial Controller, Jeeva Lanka Holdings PLC

SESSION 4 - EMPOWER
Mr. Jiffry Zulfer
Founder & CEO, PikaMe

Resilient – Bounce back from adversity
Innovate – Be distinctively different
Synergize – Harness team energy
Empower – Unleash potential

In today's dynamic business world, resilience is key to thriving amidst adversity, while collaboration through synergy drives success. Finance professionals must harness innovation and embrace technology to boost productivity in challenging times. Empowered to drive strategic decisions, we propel businesses forward in ever-changing landscapes. Together, let's "RISE to Conquer" and ensure the sustainable growth of the broader financial ecosystem.

EARLY BIRDS discount 10%
Closing date 15 September 2024

MEMBERS, STUDENTS (EARLY BIRD) RS 16,200/-
OTHERS (EARLY BIRD) RS 18,000/-
MEMBERS, STUDENTS (STANDARD) RS 18,000/-
OTHERS (STANDARD) RS 20,000/-

15 CPD CREDITS

100% SATISFACTION GUARANTEE

Phone: 0741 905 967, 0112 550 669 | Email: conference@aat.lk | Web: www.aat.lk
Scan QR Code or go to: <https://forms.office.com/r/9rhqMgF2>

Get ready to enjoy...

Members' Get-together 2024

12th Oct. 2024

@ Grand Beach Hotel Wadduwa

Save the Date

CONTACT FOR FURTHER DETAILS:
Telephone: 0112 359 669 (Ext: 322)
Email: members@aat.lk

ORGANIZED BY THE MEMBERS' WELFARE AND BENEVOLENT COMMITTEE OF AAT SRI LANKA.

Members' cricket Tournament

MEMBERS' CRICKET CARNIVAL 2024

THE FIRST EVER DAY & NIGHT CRICKET TOURNAMENT IN THE AAT HISTORY

SATURDAY, 02ND NOVEMBER 2024

THURSTAN GROUND COLOMBO 7

RESERVE THE DATE

ORGANIZED BY MEMBERS' WELFARE & BENEVOLENT COMMITTEE OF AAT SRI LANKA

AAT Students' Virtual Quiz 2024

A Virtual Quiz Competition which was organized for the **active students of AAT** held successfully on 30th April 2024 from 6.30pm to 8.00pm via zoom. Over 300 active students had shown great enthusiasm to join the competition. The event was organized absolutely free of charge and as one of the exciting benefits made available for the active students of AAT.

The quiz was hosted by the renowned Quizmaster Mr Shehan Kumar and was structured under 5 rounds with 30 questions in different segments such as General Knowledge, World and Country facts, Current Affairs and World Politics, Business, Science and Technology, Creative Arts and History and Sports & Games.

3 quiz contestants scoring the highest marks secured the first 3 places in the overall winner categories while the winner and the first runner up of each round were also selected. Further, 5 contestants were selected as winners of the Special Questions.



The overall winners of the Quiz were entitled to the following cash prizes while all other winners also got entitled to cash prizes.

Overall Winners of the AAT Students' Virtual Quiz 2024

1st Place - A cash prize of Rs.15,000 /=-
Janiru Damsath Bandara Wijekoon, 3925638

2nd Place - A cash prize of Rs.10,000 /=-
Mohamed Qais , 3766088

3rd Place - A cash prize of Rs.5,000 /=-
Fathima Samha, 3860175





AAT Felicitation Ceremony of Excellent Performance 2024

AAT Sri Lanka proudly announced the exceptional achievements of their students in the G.C.E. Advanced Level 2023 (2024) Commerce Stream and held the AAT Felicitation Ceremony of Excellent Performance on 24th June 2024.

03 AAT students claimed spots among the top 05 Island Rankers, with 35 AAT students claimed spots among the top 100 island rankers.

Mr. H.J.M.C. Amith Jayasundara - The Commissioner General of Examination graced the occasion as the Chief Guest while Ms. Ishara Senadheera - Deputy Director Commerce, Ministry of Education graced the event as the Guest of Honour.

Mr. Indraka Liyanage - President of AAT Sri Lanka, Dr. Chamara Bandara - Vice President of AAT Sri Lanka and the members of the Governing Council, Mr. Tishanga Kumarasinghe - CEO of AAT Sri Lanka, Island rankers and their parents have participated at this glamorous event.



Passed Finalists' Certificate Awarding Ceremony – January (February 2024) Examination

The ceremonial event to award the Diploma certificate for those who have completed the AAT Final Examination at the January 2024 Examinations was held on 3rd July 2024 at the Main Conference and Concert Hall of the Bandaranaike Memorial International Conference Hall (BMICH), Colombo under two sessions.

1,698 students spread across all districts in the island who have completed the Final Examinations in January (February) 2024 were invited to the ceremony along with a guest each to witness and enjoy their achievement while being awarded with NVQ 5 equivalent diploma certificate.





Passed Finalists' Certificate Awarding Ceremony – July (August) 2023 Examination

AAT Sri Lanka held its Passed Finalists' certificate awarding ceremony for the students who have successfully completed the final level of the AAT Examinations held in July (August) 2023 on 7th February 2024 at the Main Conference and Concert Hall of the Bandaranaike Memorial International Conference Hall (BMICH), Colombo under two sessions.

1,252 students spread across all districts in the island who have completed the Final Examinations in July (August) 2023 were invited to receive their Diploma in Accounting and Business certificate at this graceful ceremony with a guest each to witness their achievement and share the joy of this memorable moment.



Auditing Standards Seminar for Employees of Department of Co-operative Development

On April 2, 2024, a comprehensive full-day training session focusing on audit standards was conducted at the Wayamba Co-operative Rural Bank Union Ltd., located in Kurunegala. This significant event was organised for the Audit Officers of the Department of Cooperative Development and was led by the Public Sector Coordination and SME committee of AAT Sri Lanka.

The primary objective of this initiative was to enhance the knowledge and skills of the Audit Officers working within the Finance and Audit Divisions of the Department of Cooperative Development. By implementing robust accounting and auditing standards, the training aimed to improve the overall effectiveness of these divisions, ensuring they operate at a high level of proficiency and compliance with established regulations.

Feedback from the participants was overwhelmingly positive, highlighting the relevance and practicality of the training provided. The attendees expressed appreciation for the informative nature of the session and acknowledged its potential impact on their professional development. Furthermore, the successful execution of this programme fulfilled the request made by the Commission of Co-operative Development for the Northern Western province, demonstrating a commitment to supporting the local cooperative sector through capacity-building initiatives. The training not only served to uplift the standards of the department but also contributed to the broader goals of enhancing accountability and transparency within the cooperative framework.





Prize Winner Ceremony for January 2024 AAT examination

AAT Sri Lanka celebrated the outstanding achievements of its top achievers at a prestigious prize winners' ceremony on June 24, 2024. The event recognized 13 subject prize winners and 9 merit prize recipients who excelled in the January 2024 AAT examination. Remarkably, many of these high-performing students earned their AAT qualifications while simultaneously preparing for the G.C.E. A/L exams. Chief Guest Mr. Amith Jayasundara, Commissioner General of Examinations, Department of Examinations Sri Lanka, and Guest of Honor Ms. Ishara Senadheera, Deputy Director of Commerce Division, Ministry of Education, attended the event. Also present were Mr. Indraka Liyanage, President of AAT Sri Lanka, Mr. Tishanga Kumarasinghe, CEO of AAT Sri Lanka, and members of the AAT Governing Council.



AAT Sri Lanka Honors Affiliated Training Partners

On January 10, 2024, AAT Sri Lanka hosted a Recognition Ceremony at the AAT Auditorium to honor its Affiliated Training Partners. This event celebrated the partnership and dedication in nurturing skilled middle-level accountants. Mr. Kapila Ranasinghe, Chairman of the AAT Education and Training Committee, and Mr. Naleen De Silva, President of AAT Sri Lanka, delivered speeches highlighting the importance of these collaborations. The ceremony, attended

by esteemed AAT Governing Council members and CEO Mr. Tishanga Kumarasinghe, recognized 32 training partners for their outstanding contributions to the accounting profession. The event underscored the essential role of these partnerships in advancing the field of accounting in Sri Lanka.





Stakeholder Meetings for AAT Curriculum Development (2025-2030)

On January 30, 2024, AAT Sri Lanka held stakeholder meetings for the 2025-2030 curriculum development at the AAT Head Office. The sessions included representatives from Accredited Education Centers and Affiliated Training Partners, with the Curriculum Development Committee, Consultant Prof. Hillary De Silva, and Technical Coordinator Mr. T. Dharmarajah in attendance.



Student Orientation Seminar (Virtual) Exclusively for January 2024 Intake

A Virtual orientation seminar was held on January 18, 2024, exclusively for students enrolled for the January 2024 intake. The webinar was packed with helpful resources for new students, supporting them through their journey as AAT students and beyond.

Mr. Naleen de Silva, then President of AAT Sri Lanka made the welcome address while Mr. Tishanga Kumarasinghe, CEO of AAT Sri Lanka briefed on the Objective of the orientation and the way forward as a student. Adding a great value to the programme, Mr. Ganaka Amarasinghe, Managing Director of Raigam Group of Companies, Past President of AAT and a Fellow Member of AAT delivered a motivational speech.

Attendees were educated on the most important aspects of their student life, examinations, education and many more by the Divisional Heads. Ms. Nadee Perera, Head of Student Registration and Membership made a presentation on the importance of being an ACTIVE STUDENT, how to keep studentship active and the facilities and privileges offered for active students. Ms. Lilani Thanuja, Head of Examinations made a presentation covering many important areas of AAT examinations while Ms. Ajani Fernando, Manager of Education and Training, delivered a presentation on AAT classes, self-study packs to support the AAT journey and training details. Tamil students were facilitated by a translation done by Asst. Manager, Registration & Membership, Mr. Niranjan Kanagaratnam. Mr. Thilina Magalla, Head of Marketing, made the concluding remarks.



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Orientation Seminar For 2024 January Intake



Blood donation CSR - 2024

AAT Sri Lanka hosted a blood donation camp on 18th June 2024 at AAT Sri Lanka Head office, Narahenpita with over 50 generous donors stepping forward to volunteer selfless contributions will touch countless lives in need.

AAT Sri Lanka executed this CSR project under the sustainable goal 03 "Good health and wellbeing" by making a profound impact on our community's health and well-being.



AAT's participation at Education Exhibitions - 2024

AAT Sri Lanka has participated at the Future Minds Expo 2024 on 14th, 15th & 16th June 2024 and at the Edu Vision Exhibition at Town Hall, Galle on 05th, 06th & 07th July 2024, as well as Kandy Future Minds Expo 2024 on 22nd and 23rd June 2024 successfully.





Successful Fifth Phase of AAT Job Fair

On February 20, 2024, AAT Sri Lanka hosted the fifth edition of its renowned Job Fair at the AAT Head Office Auditorium. This event offered networking, training, and employment opportunities for accounting professionals. The Job Fair featured 16 corporate partners from various sectors, including banking,

finance, audit, and BPO. Both partners and candidates praised the event's organization and effectiveness in connecting talent with opportunities. The AAT Job Fair remains a vital event in shaping Sri Lanka's accounting profession.



Enhancing Financial Reporting in Education: AAT Sri Lanka’s Annual Reports Competition -2023

In collaboration with the Ministry of Education, AAT Sri Lanka proudly hosted “The Best Annual Reports Competition of National and Provincial Schools - 2023,” which took place on July 4, 2024, at BMICH. This is one of the key Corporate Social Responsibility (CSR) initiatives of AAT aimed at improving financial reporting practices within the educational sector.

The vision for this initiative is to achieve the highest standards in both financial and descriptive reporting for school development societies across national and provincial schools. By fostering these practices, AAT Sri Lanka aims to cultivate a generation of skilled professionals who are well-versed in the principles of effective financial management.

The event was honored by the presence of Hon. Susil Premajayantha, the Minister of Education, who served as the Chief Guest. The competition

attracted participation from approximately 99 schools, showcasing a commitment to excellence in reporting. Awards were distributed across two categories: schools with fewer than 1,000 students and those with more than 1,000 students, culminating in the recognition of 51 outstanding reports at the district level, as well as nine awards at the provincial level.

Notable achievements were celebrated with the announcement of the island-wide results: the Gold Award was awarded to D S Senanayake College, Colombo; the Silver Award went to Anula Vidyalaya, Nugegoda; and the Bronze Award was secured by St. Aloysius College, Galle. These accolades reflect the hard work and dedication of the school communities involved.



DIPLOMA IN DIGITAL ACCOUNTING

MODULE PLAN

- Introduction to Cloud Accounting
- QuickBooks Online
- Xero Accounting
- Zoho Books

MODE OF DELIVERY

- Hybrid Mode
[Online & Physical]

DURATION

- 4 Months

DATE & TIME

- Every Saturday, 1.30 pm - 4.30 pm

Commencing
every month



Corporate Sponsors 2024



ASSOCIATION OF
ACCOUNTING TECHNICIANS OF SRI LANKA



www.aatsl.lk