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On 21st February, 2023, in the furtherance of public interest I have presented a private members bill to the Bills Office to amend the Employee Provident Fund No. 15 of 1958 (as amended).

This amendment comes at a time when the country needs to seriously undertake economic reform. Part of that economic reform is the independence of the CBSL but also accountability of CBSL.

The EPF is Sri Lankas largest fund, and all private sector (formal) workers are mandated to keep their retirement funds in the EPF. The EPF fund is managed by the Central Bank of Sri Lanka. As of 2019, there are 19.4 million accounts with the EPF, almost as many as the entire population of this country. Currently, even after an 80% depreciation of the Sri Lankan rupee, the EPF should be holding close to USD 10billion in retirement savings of the hardworking Sri Lankan people. That is around 3.5 trillion rupees in my estimate. More than the entire expected revenue of the government for 2023.

I don't have precise figures, and must resort to estimates, because the EPF has been extremely irresponsible in publishing even its annual reports. Until November the latest annual report available was for 2016. After we brought up this issue during the budget debates, they suddenly published the annual reports up to 2019. Why is the Central Bank not capable of publishing the annual reports on a timely basis? Does this institution have the kind of management and accountability that people can trust?

The Bond Scam from 2015 where the company Perpetual Treasuries connected to the then central bank governor bought a series of bonds at low prices allegedly using insider information and then allegedly dumped these bonds on the EPF. As a result of the bond scam, forensic audits were ordered and the published forensic audits in 2019 revealed that the EPF is exploited for private profit and manipulation of the bond market and share market to the detriment of Sri Lankan workers.

The EPF Act in its current form requires that under section 5 (1) (h) the Monetary Board must provide each year information on each investment that it has made. This is to be done yearly and shared with the Minister through the annual report. Not only has the EPF management (the central bank) failed to do that, it has refused to comply with RTI requests, even after the RTI commission has had held that it should disclose information.

This Act is to increase the frequency of disclosure and add more clarity to the disclosures that will be required from the EPF, since it is presently not complying with the existing laws.

Therefore, the amendment seeks to give clear requirements for (a) timely and regular disclosure; and (b) ensuring that the content disclosed provides sufficient information on the EPF to ensure accountability of the fund and safeguard the savings of workers. This amendment seeks to mandate better disclosure of information through the annual report (Section 5(1)(i)) and information on each purchase and sale of bonds/assets by the EPF (Section 5 (1)(h)) from an accountability perspective.

22nd February 2023