



## **THE IMPACT OF BOND CORRUPTION ON CENTRAL BANK OF SRI LANKA**

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### **Abstract**

Bond corruption is the biggest registered corrupt action in Sri Lanka's political history. Bond corruption directly connected to Central Bank of Sri Lanka. The Central Bank of Sri Lanka is the monetary authority of Sri Lanka which is promoting the responsibility of securing price and financial system stability. A consensus has now been reached that corruption is universal. Sri Lanka is also worried about this problem. It undermines democracy and the rule of law, leads to violations of human rights, erodes the quality of life and allows organized crime, terrorism and other threats of human security to flourish (UNDP, 2008). The main objective of this study is to investigate into the social aspects of bond corruption. Secondary data used to complete this study and data were gathered from relevant books, newspapers, Government reports and online sources. The content analysis techniques was applied for data analysis. Bond corruption occurred between 2015 January to 2016 August. Sri Lankan Government lost 11,145 Million Sri Lankan rupees which led National Financial Institutions such as Mahapola Students' Scholarship Fund, National Savings Bank, Employees Provident Fund to be affected. It was found that this impacted on people's saving abilities. This problem made the political instability as well. It created various direct and indirect social, political, economic implications for the country. Investigation reports of the Parliament Committee on Public Enterprises (COPE) and Presidential Commissions were handed over to the Attorney General's Department and investigations are in progress. Government has to make progress move in the fight against corruption in Sri Lanka. Reform of public administration and financial management, and promote transparency and access to information, creating awareness among people against corruptions are crucial in combating corruption. Active engagement of public and civil society is essential in order to curb corruption in public sector of Sri Lanka.

**Keywords:** Bond, Central Bank, Corruption, Development & Sri Lanka

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