

Payments Bulletin

Fourth Quarter 2019



Payments and Settlements Department
Central Bank of Sri Lanka

Contents

	Topic	Page
1	Currency in Circulation	3
2	Non-Cash Payments	4
2.1	Real Time Gross Settlement (RTGS) System	5
2.2	Cheques	8
2.3	Sri Lanka Interbank Payment (SLIP) System	12
2.4	Payment Cards and Mobile Phone based Payment Mechanisms	14
2.4.1	Payment Cards	14
	(a) Credit Cards	14
	(b) Debit Cards	16
2.4.2	Payment Card Infrastructure	17
	(a) Automated Teller Machines (ATMs)	17
	(b) Point of Sale (POS) Terminals	18
2.4.3	Mobile Phone based Payment Mechanisms	19
	(a) Customer Account based Mobile Payment Systems	20
	(b) Mobile Phone based e-money Systems	20
2.5	Internet based Payment Systems	21
2.6	Tele banking	21
2.7	Postal Instruments	21
2.8	Other	22
2.9	Common Card and Payment Switch (CCAPS)	22
	(a) Common ATM Switch (CAS)	23
	(b) Common Electronic Fund Transfer Switch (CEFTS)	24
	(c) Shared ATM Switch (SAS)	25
3	Asian Clearing Union (ACU)	26
4	Society for Worldwide Interbank Financial Telecommunication (SWIFT)	27
5	Transactions through Payment Systems/Instruments	28
6	Key Indicators	29
7	Licensed Service Providers of Payment Cards and Mobile Payment Systems	30
8	Regulatory Framework of Payment and Settlement Systems in Sri Lanka	32
9	Chronology of Major Events in the Payment and Settlement Systems in Sri Lanka	34

1

Currency in Circulation

The Central Bank of Sri Lanka (CBSL) has the sole authority to issue currency notes and coins on behalf of the Government of Sri Lanka. At the end of the fourth quarter of 2019, currency notes and coins in circulation amounted to Rs. 678 billion. Cash persists as the most popular payment mode in retail payments in Sri Lanka.

Table: 1

Currency in Circulation (As at end period)

Description	Rs. million		Percentage Change		
	2018	Q4 2018	Q4 2019 (a)	Q4 18/17	Q4 19/18
Currency in Circulation	640,943	640,943	677,967	7.2	5.8
of which held by:					
a) Banks	167,876	167,876	183,759	5.8	9.5
b) Public	473,066	473,066	494,208	7.7	4.5

(a) Provisional

Source: Central Bank of Sri Lanka

Chart 1

Currency in Circulation



Chart 2

Share of Currency held by Public and Currency held by Banks

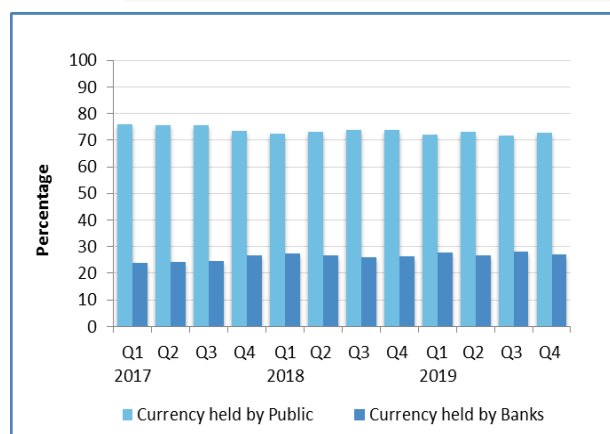
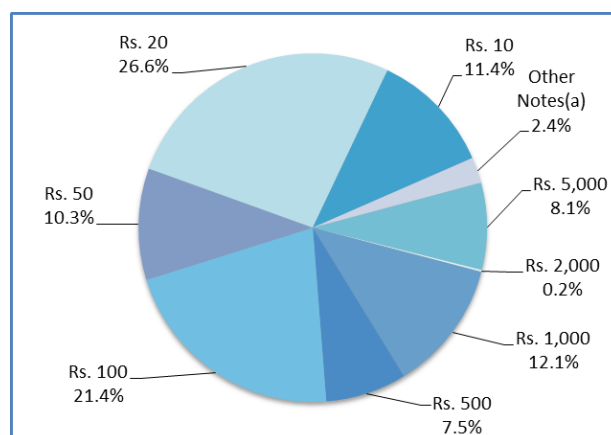


Chart 3

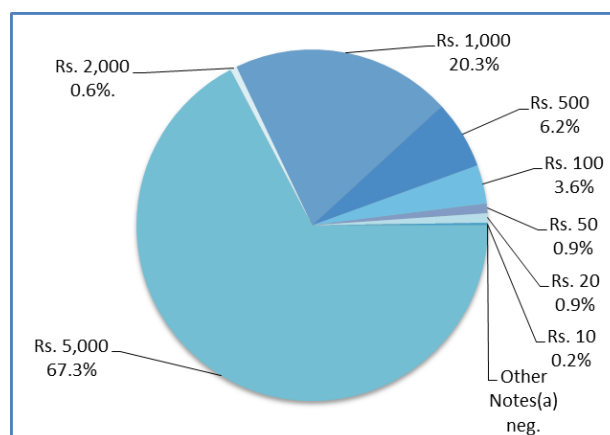
Currency Notes in Circulation by Denominations at end Q4 2019 (in Volume Terms)



(a) Currency notes with denominations including Rs. 200 and below

Chart 4

Currency Notes in Circulation by Denominations at end Q4 2019 (in Value Terms)



neg. - negligible

- Non-cash payments are facilitated through both large value payment system and retail payment systems in Sri Lanka.

Large Value Payment System

Real Time Gross Settlement (RTGS) System

Retail Payment Systems and Instruments

Cheques

Sri Lanka Interbank Payment (SLIP) System

Payment Cards

Mobile Phone based Payment Mechanisms

Internet based Payment Mechanisms

Tele Banking

Postal Instruments

Chart 5

Large Value Payments and Retail Payments
(in Value Terms)

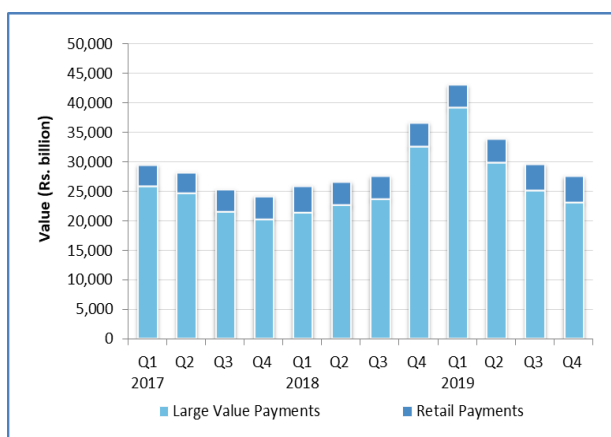
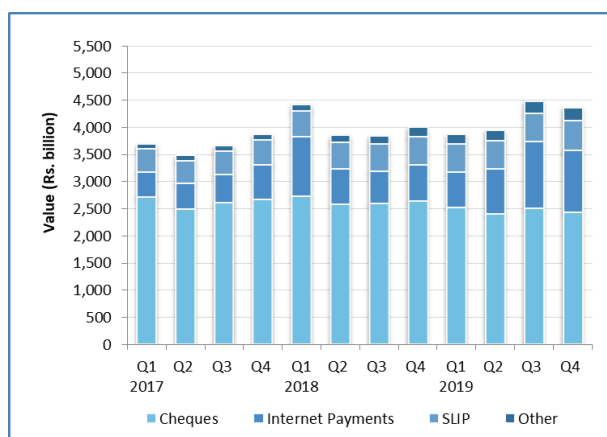


Chart 6

Retail Payments
(in Value Terms)



- RTGS System and Cheque Imaging and Truncation System (CITS) are the two systemically important payment systems in the country.
- About 92.9 per cent of the total value of non-cash payments of the fourth quarter of 2019 was effected through RTGS system (84.1%) and CITS (8.8%).
- Cheque is the most popular non-cash retail payment instrument in Sri Lanka which accounted for 55.6 per cent of the value of total non-cash retail payments in the fourth quarter of 2019.

2.1 Real Time Gross Settlement (RTGS) System

- RTGS System, the large value inter-participant fund transfer system in Sri Lanka is owned and operated by CBSL.
- RTGS System is open for business on bank business days and settles payment instructions between participants from 8.00 a.m. to 4.30 p.m.
- RTGS System provides settlement facilities for individual customer payments of participant institutions from 8.00 a.m. to 3.00 p.m.
- The Payment and Settlement Systems Circular No. 03 of 2015 on Operator Charges and Maximum Limit on Transaction Fees of LankaSettle System was issued with effect from 01 September 2015, through which the fee that can be charged by participating institutions of RTGS System from customers for fund transfers effected through RTGS System was capped at Rs. 1,000 per transaction.
- As at end of the fourth quarter of 2019, there were 37 participants in the RTGS System, i.e. CBSL, 26 Licensed Commercial Banks, 8 Primary Dealer Companies, Employees' Provident Fund and the Central Depository System of the Colombo Stock Exchange.

Table: 2

Volume and Value of RTGS Transactions

Description	Volume				Value (Rs. billion)			
	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18
Total Transactions	405,200	110,833	101,485	-8.43	100,473.1	32,601.2	23,144.0	-29.01
Average per day	1,688	1,817	1,637	-9.91	418.6	534.4	373.3	-30.15

Transactions by Type

Repo	51,939	15,919	10,125	-36.40	33,994.6	12,769.8	6,017.3	-52.88
Intraday Liquidity Facility (ILF)	37,394	12,124	8,716	-28.11	26,549.9	9,901.8	5,311.4	-46.36
Standing Deposit Facility (SDF)	6,091	1,392	2,016	44.83	9,012.9	2,235.1	3,840.4	71.82
Interbank Transactions	44,997	11,967	11,090	-7.33	16,884.9	4,116.5	4,305.2	4.58
Customer Transactions	202,507	50,684	50,272	-0.81	9,627.5	2,440.0	2,418.7	-0.87
Clearing House Transactions	61,185	18,489	18,942	2.45	4,229.4	1,103.4	1,220.1	10.58
Other Transactions (a)	1,087	258	324	25.58	173.9	34.5	31.0	-10.14

(a) Includes Rupee Settlement of Central Bank Forex Transactions

Transactions by Size	Percentage Share Q4 2019				Percentage Share Q4 2019			
	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18
Below Rs. 1 mn	71,620	18,914	17,911	17.65	16.2	4.3	4.0	0.02
Rs. 1 mn – Rs. 100 mn	212,908	56,898	54,566	53.77	5,384.5	1,486.8	1,361.6	5.88
Rs. 100 mn – Rs. 500 mn	75,988	20,780	19,123	18.84	20,266.1	5,555.5	4,848.0	20.95
Rs. 500 mn – Rs. 1,000 mn	25,598	7,832	5,536	5.45	19,385.1	5,881.7	4,306.4	18.61
Rs. 1,000 mn and above	19,086	6,409	4,349	4.29	55,421.2	19,672.8	12,624.0	54.55

Source: Central Bank of Sri Lanka

Chart 7

Total Volume and Total Value of RTGS Transactions

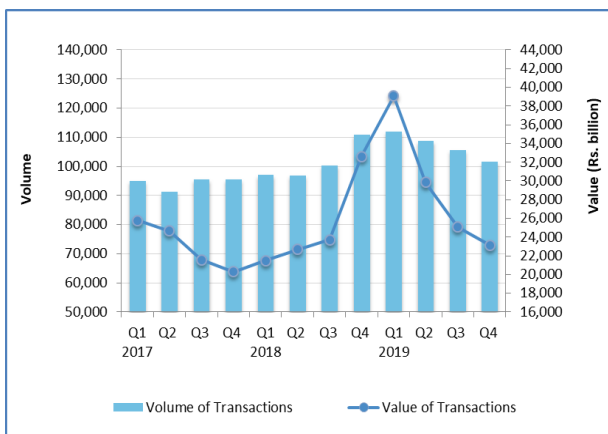


Chart 8

RTGS Transactions by Type of Participants Q4 2019

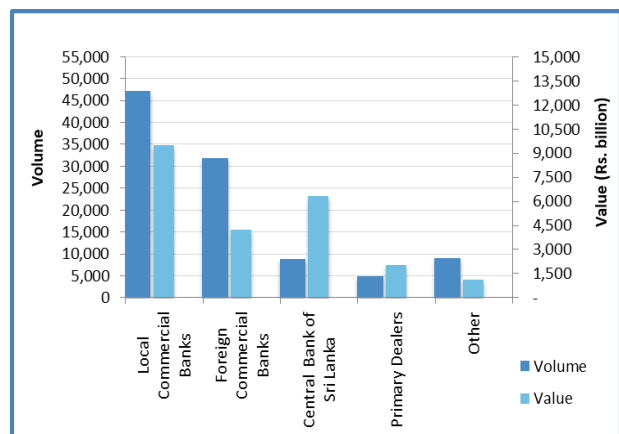


Chart 9

RTGS Transactions by Type of Participants Q4 2019 (in Volume Terms)

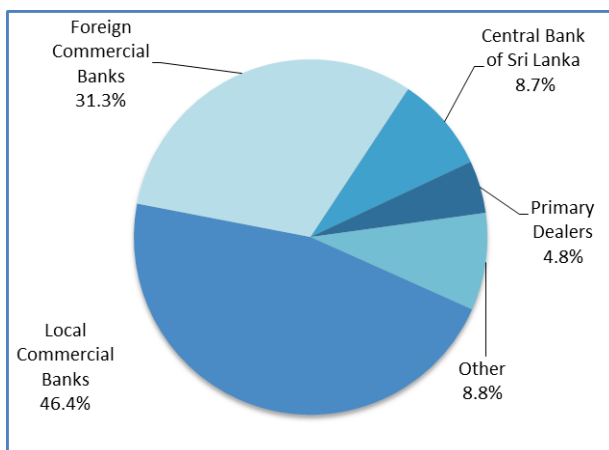


Chart 10

RTGS Transactions by Type of Participants Q4 2019 (in Value Terms)

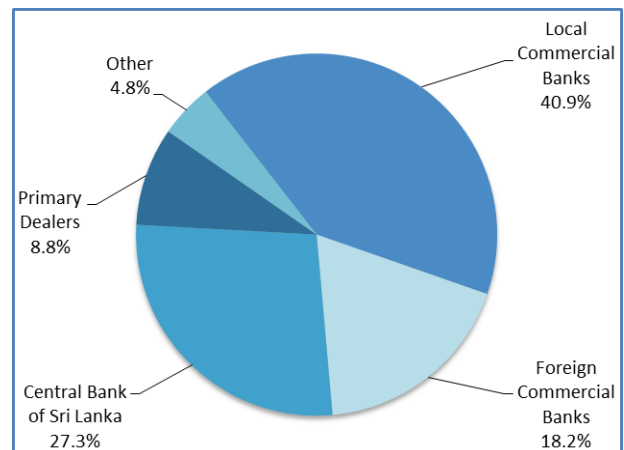


Chart 11

Average Volume of RTGS Transactions per day

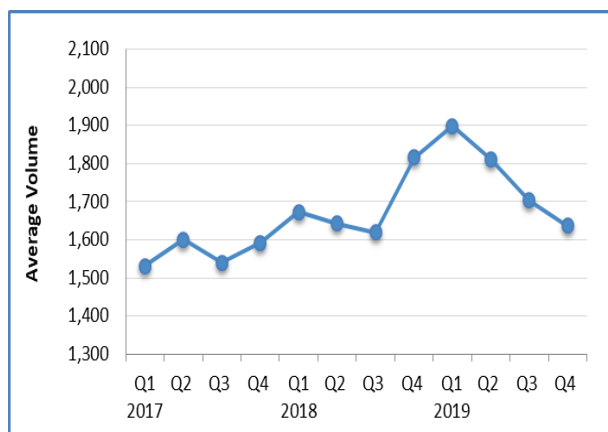


Chart 12

Average Value of RTGS Transactions per day

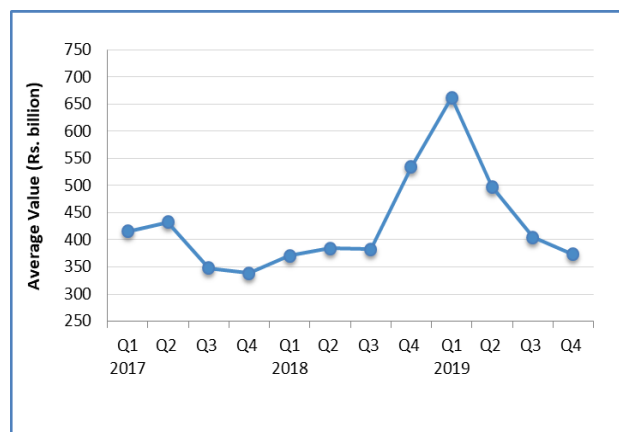


Chart 13

**Composition of RTGS Transactions by Size Q4 2019
(in Volume Terms)**

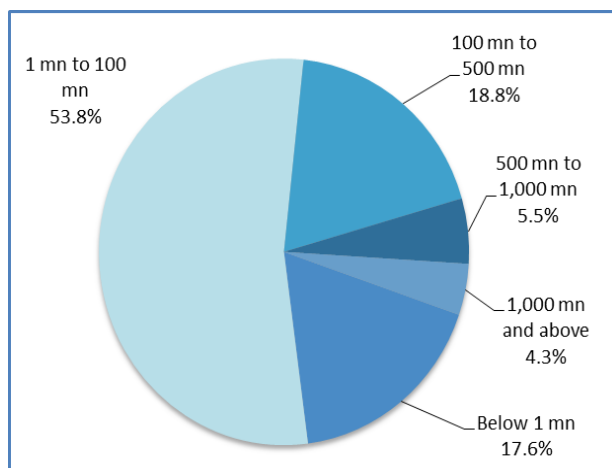
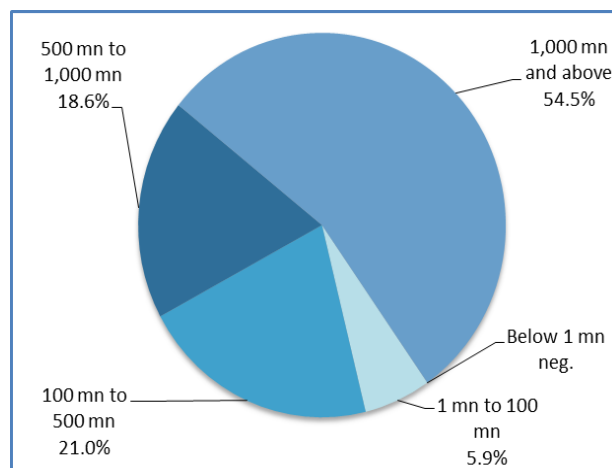


Chart 14

**Composition of RTGS Transactions by Size Q4 2019
(in Value Terms)**



neg. - negligible

Table: 3

Time Distribution of RTGS Transactions

Description	Volume				Value (Rs. billion)			
	2018	Q4 2018	Q4 2019	Percentage Share Q4 2019	2018	Q4 2018	Q4 2019	Percentage Share Q4 2019
Before 12.00 noon	156,901	44,367	42,025	41.4	50,823.5	15,870.5	12,446.9	53.8
After 12.00 noon	248,299	66,466	59,460	58.6	49,649.6	16,730.8	10,697.1	46.2

Source: Central Bank of Sri Lanka

Chart 15

**Time Distribution of RTGS Transactions
(in Volume Terms)**

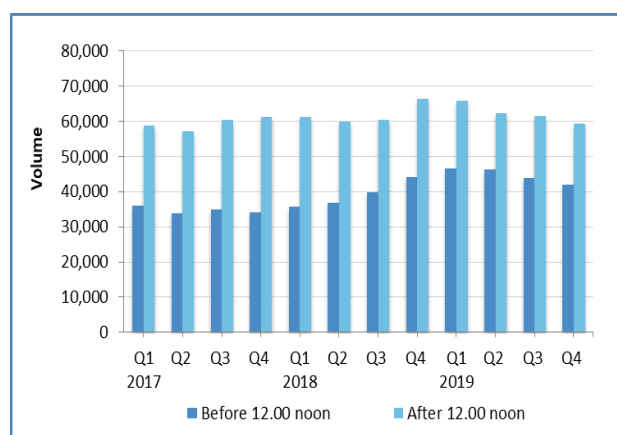
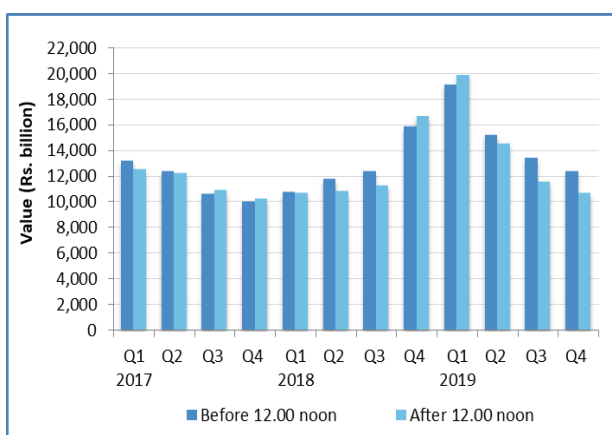


Chart 16

**Time Distribution of RTGS Transactions
(in Value Terms)**



2.2 Cheques

LKR Cheque Clearing

- All LKR cheques and drafts are cleared by LankaClear (Pvt) Ltd (LCPL) through the Cheque Imaging and Truncation (CIT) System.
- CIT System commenced operations on 11 May 2006 with the aim of reducing the time taken for clearing and settlement of cheques, by avoiding physical delivery of cheques and enhancing efficiency of the system.
- With the introduction of the CIT system cheque realization time was reduced to T+1, where T is the day on which LCPL receives the cheque for clearing and 1 indicates one business day from T, i.e. the following business day.
- The General Direction No. 01 of 2006 on Cheque Imaging and Truncation System was issued by CBSL to streamline the operations of the CIT System.
- As per the General Direction No.03 of 2013 on Service Norms and Standard Times for Accepting Cheque Deposits and Crediting Cheque Proceeds;
 - The island-wide minimum cut-off time for accepting cheques for T+1 clearing by participating institutions is 3.00 p.m. and proceeds of cleared cheques should be credited to the respective customer's accounts by 2.30.p.m. on the following business day.

Table: 4

Cheque Clearing

Description	Volume ('000)				Value (Rs. billion)			
	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18
Total Cheques Cleared	50,352.2	12,617.0	11,691.5	-7.3	10,528.4	2,638.1	2,435.3	-7.7
Average per day	209.8	206.8	188.6	-8.8	43.9	43.2	39.3	-9.0

Cheque Clearing by Size

Below Rs. 0.1 mn	37,722.1	9,420.9	8,712.4	-7.5	1,105.4	269.1	252.6	-6.1
Rs. 0.1mn - Rs. 1mn	11,128.2	2,818.7	2,638.0	-6.4	3,070.5	772.8	719.1	-6.9
Rs.1 mn - Rs.11mn	1,422.9	357.5	323.0	-9.7	3,469.3	872.7	786.0	-9.9
Rs.11 mn - Rs.51mn	67.4	17.0	15.4	-9.4	1,431.1	358.4	327.3	-8.7
Rs.51mn - Rs.100mn	9.0	2.2	2.0	-9.1	689.1	171.0	157.0	-8.2
Above Rs. 100 mn.	2.6	0.7	0.7	neg.	762.9	194.1	193.3	-0.4

neg. – negligible

Source: LankaClear (Pvt) Ltd.

Chart 17

Average Volume of Cheques Cleared per day

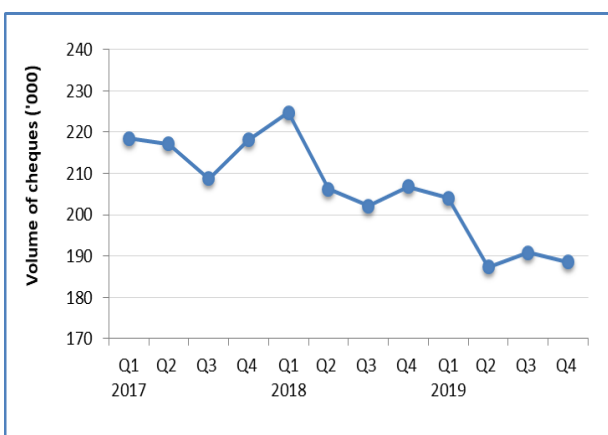


Chart 18

Average Value of Cheques Cleared per day

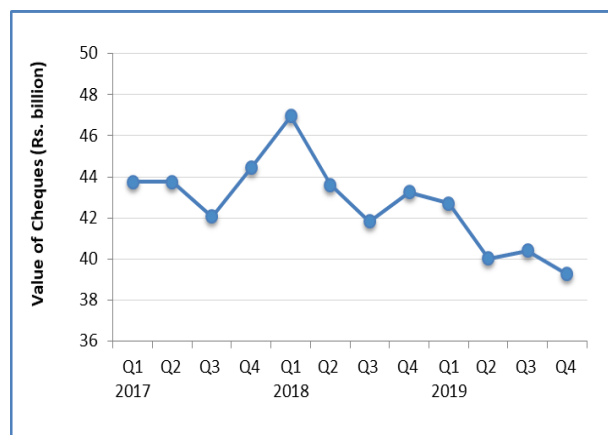


Table: 5

Cheque Returns

Description	Volume ('000)				Value (Rs. billion)			
	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18
Total Cheques Returned	2,154.4	549.5	439.9	-19.9	369.6	92.0	72.9	-20.8

Source: LankaClear (Pvt) Ltd.

Table 6

Cheque Returns

Description	2018	Q4 2018	Q4 2019
Volume of Cheques Returned (as a % of total volume of cheques received for clearing through LCPL)	4.3	4.4	3.8
Value of Cheques Returned (as a % of total volume of cheques received for clearing through LCPL)	3.5	3.5	3.0
Average Volume of Cheques Returned per day	8,977	9,008	7,094
Average Value of Cheques Returned per day (Rs. million)	1,540.0	1,508.8	1,175.7

Source: LankaClear (Pvt) Ltd.

Table 7

Return Code-wise Cheque Returns (As a Percentage of Total Volume of Cheque Returns)

Return Code	2018	Q4 2018	Q4 2019
Refer to Drawer	47.8	48.1	47.5
Payment Stopped by Drawer	19.7	19.8	17.9
Account Closed	16.0	16.0	17.6
Effects not Realized	1.7	1.8	1.6
Payment postponed pending drawer's confirmation	1.0	1.0	0.7
Other	13.8	13.4	14.7

Source: LankaClear (Pvt) Ltd.

Chart 19

Average Volume of Cheques Returned per day

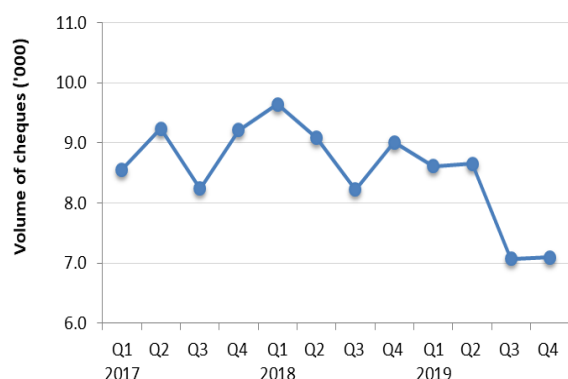


Chart 20

Average Value of Cheques Returned per day

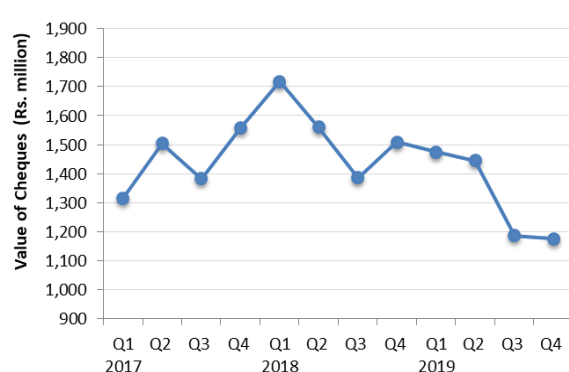


Chart 21

Total Volume of Cheque Returns as a Percentage of Total Volume of Cheques Received for Clearing

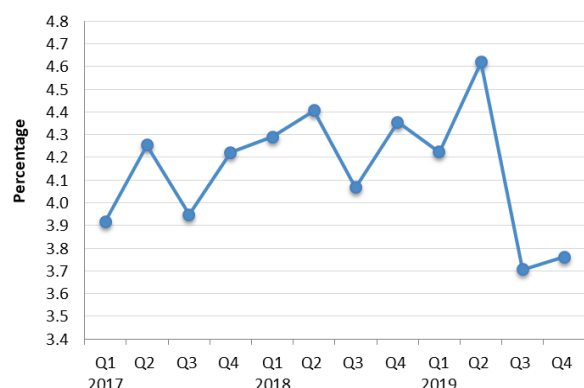


Chart 22

Total Value of Cheque Returns as a Percentage of Total Value of Cheques Received for Clearing

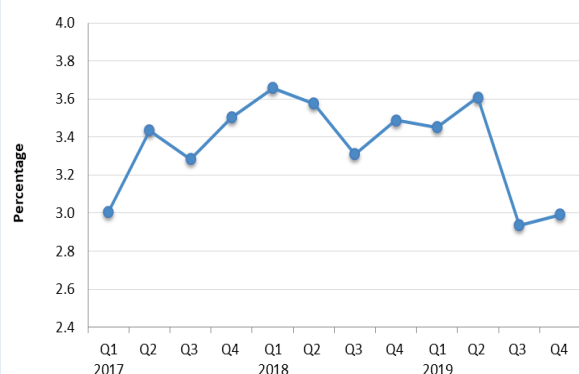


Chart 23

Cheque Returns by Return Code As a Percentage of Total Cheque Returns

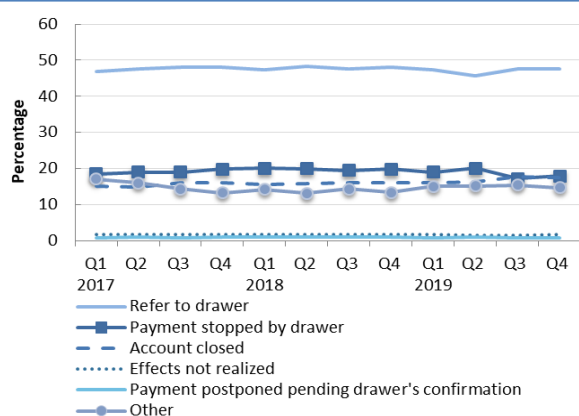
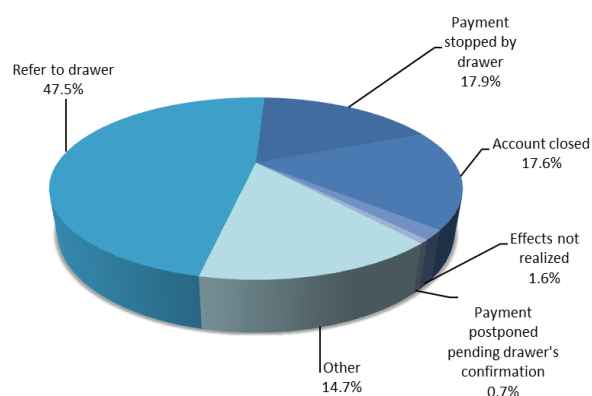


Chart 24

Composition of Cheque Returns Q4 2019 by Return Code



US Dollar Cheque Clearing

- US Dollar Cheque Clearing System operated by LCPL was introduced on 1 October 2002.
- The System clears ;
 - US Dollar cheques/drafts issued by commercial banks in Sri Lanka payable to Sri Lankan individuals and institutions.
 - US Dollar cheques issued by Banks or Exchange Houses abroad drawn on commercial banks in Sri Lanka.
- 23 Commercial Banks in Sri Lanka participate in this system and Sampath Bank PLC acts as the settlement bank.

Table: 8

US Dollar Cheque Clearing

Description	Volume				Value (US Dollar million)			
	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18
Total Cheques Cleared	50,701	12,993	12,485	-3.9	222.2	65.7	97.2	47.9
Cheque Clearing per day	211	213	201	-5.5	0.9	1.1	1.6	45.5

Source: LankaClear (Pvt) Ltd.

Chart 25

Volume of US Dollar Cheques Cleared

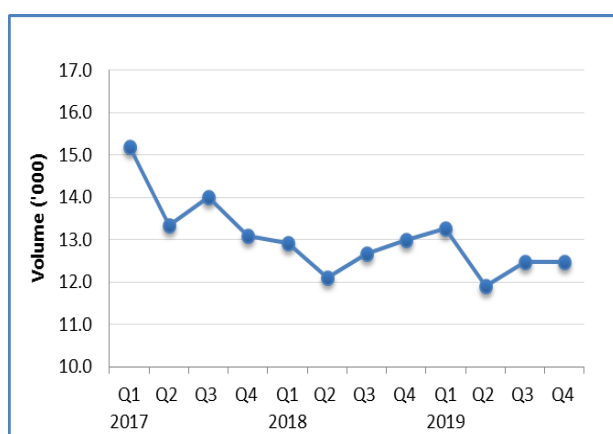
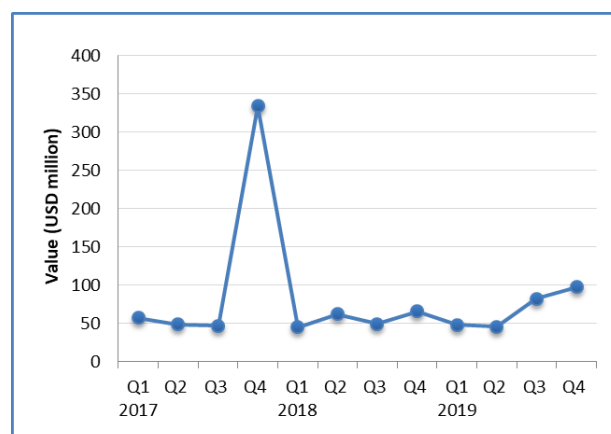


Chart 26

Value of US Dollar Cheques Cleared



2.3 Sri Lanka Interbank Payment (SLIP) System

- SLIP System which is operated by LCPL provides facility for settlements on T + 0 basis on each business day, for payment instructions submitted before the cut-off time specified by the respective financial institutions.
- SLIP System has the facility of accepting payment instructions for T + n (where n=0 to 14 days).
- Low value transactions including customer transfers, standing orders and low value bulk payments such as salaries are effected through this system.
- CBSL imposed a maximum limit of Rs. 5 million per transaction with effect from 29 October 2010 and a maximum fee of Rs. 50 that can be charged from a customer for a fund transfer with effect from 01 September 2015.
- As at end of the fourth quarter of 2019, there were 45 participants in the SLIP System, i.e. CBSL and 24 Licensed Commercial Banks as primary members and, 5 Licensed Specialized Banks and 15 Finance Companies, as secondary members.

Table: 9

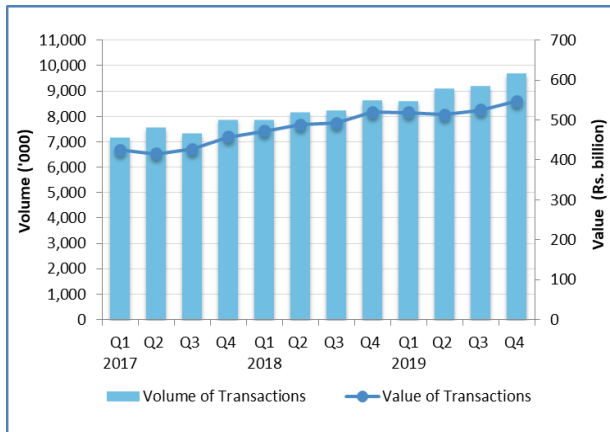
Transaction Volumes and Values of SLIP System

Description	Volume ('000)				Value (Rs. billion)			
	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18
Total Transactions Cleared	32,943.3	8,652.0	9,707.2	12.2	1,972.2	519.7	547.4	5.3
Average per day	137.3	141.8	156.6	10.4	8.2	8.5	8.8	3.5
Transactions by Size								
Less than Rs. 1 mn	32,669.6	8,580.6	9,636.2	12.3	1,279.5	338.8	367.9	8.6
Between Rs. 1 mn – 5 mn	273.7	71.5	70.9	-0.8	692.7	180.9	179.5	-0.8
Transactions by Type								
Credit transactions	32,930.0	8,648.9	9,704.5	12.2	1,957.5	516.0	543.6	5.3
Debit transactions	13.2	3.1	2.7	-12.9	14.7	3.7	3.8	2.7

Source: LankaClear (Pvt) Ltd.

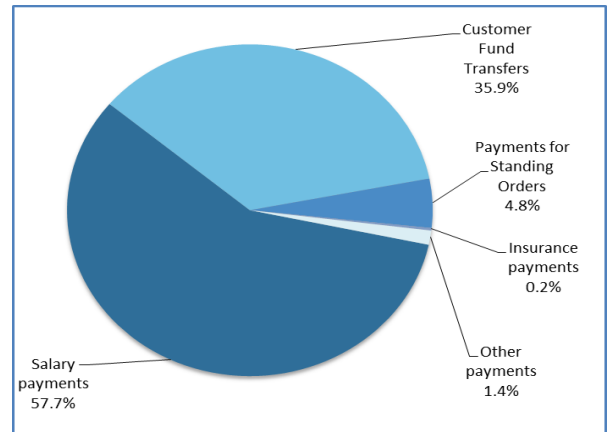
**Chart
27**

Volume and Value of SLIP System Transactions



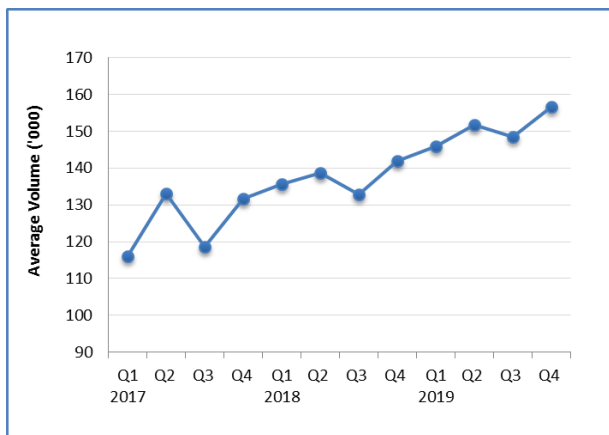
**Chart
28**

SLIP System Transactions by Transaction Code Q4 2019 (in Volume Terms)



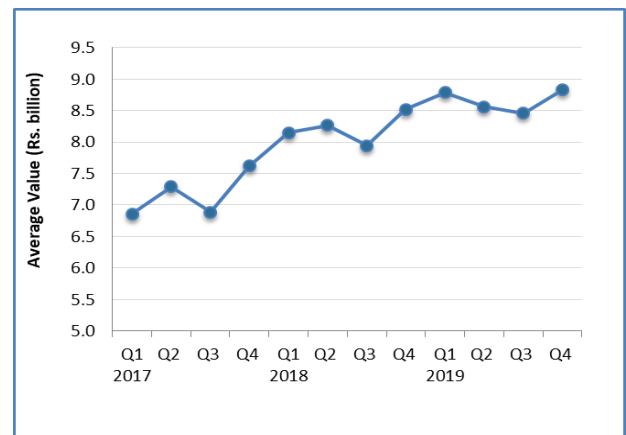
**Chart
29**

Average Volume of SLIP System Transactions per day



**Chart
30**

Average Value of SLIP System Transactions per day



2.4 Payment Cards and Mobile Phone based Payment Mechanisms

- *In order to regulate and supervise activities of service providers of payment cards and mobile phone based payment systems, the Service Providers of Payment Card Regulations No. 1 of 2009, which issued in July 2009, was replaced by the Payment Cards and Mobile Payment Systems Regulations No. 1 of 2013 on 07 June 2013.*
- *In terms of the Regulations, Issuers of Payment Cards, Financial Acquirers of Payment Cards, Operators of Customer Account based Mobile Payment Systems and Operators of Mobile Phone based e-money Systems should obtain licences from CBSL to engage in the business or function as service providers of Payment Cards and/or Mobile Payment Systems.*

2.4.1 Payment Cards

- *As per the Regulations, service providers of payment cards include issuers of payment cards (debit cards, credit cards, charge cards and stored value cards) and financial acquirers of payment cards.*

Licensed Service Providers of Payment Cards (as at 31 December 2019)

Class of Business	Number of Service Providers
Issuers of Debit Cards	32
Issuers of Credit Cards	17
Issuers of Stored Value Cards	10
Financial Acquirers of Payment Cards	11

Source: Central Bank of Sri Lanka

(a) Credit Cards

- *In 1989, commercial banks commenced issuing credit cards in Sri Lanka.*
- *The Credit Card Operational Guidelines No. 1 of 2010 were issued to streamline the operations of the credit card business.*
- *At end of the fourth quarter 2019, 14 Licensed Commercial Banks and 3 Finance Companies had been licensed to engage in credit card business.*

Table: 10

Credit Card Transactions

Description	2018	Q4 2018	Q4 2019 (a)	Percentage Change	
				Q4 18/17	Q4 19/18
1 Number of cards issued during the period	338,692	90,248	103,907	6.1	15.1
2 Total number of cards in use (as at end period)	1,710,671	1,710,671	1,854,103	15.1	8.4
3 Total volume of transactions (million)	43.6	12.2	14.1	22.0	15.6
4 Total value of transactions (Rs. billion)	241.8	69.3	77.2	26.0	11.4

(a) Provisional

Source: Licensed Commercial Banks
Licensed Finance Companies

Chart 31

Credit Card Transactions

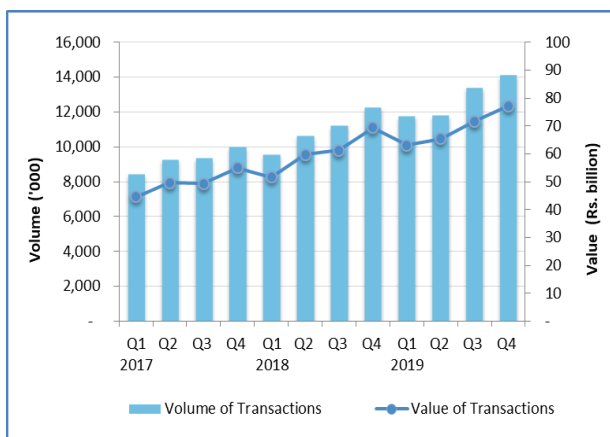


Chart 32

Number of New Credit Cards Issued and Total Number of Credit Cards in Use

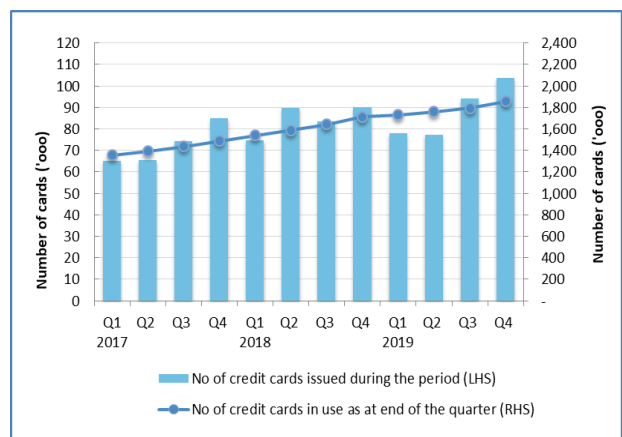


Chart 33

Average Volume of Transactions per Credit Card

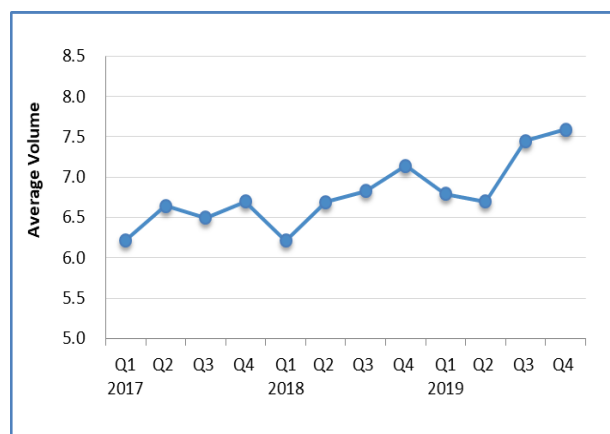


Chart 34

Average Value of Transactions per Credit Card

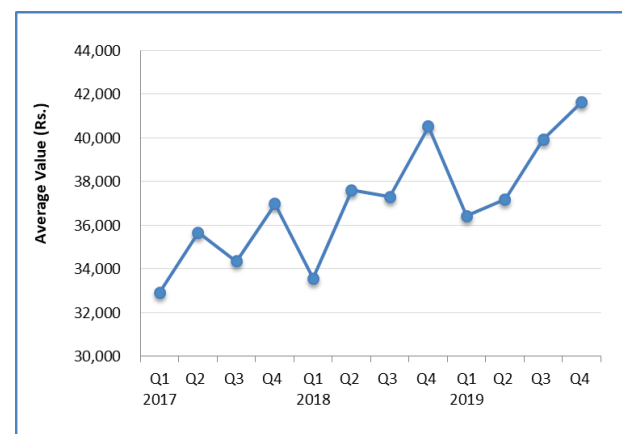


Table: 11

Credit Cards in Default (As at end period)

Description	Number of Cards				Defaulted Transaction Value (Rs. billion)			
	2018	Q4 2018	Q4 2019 (a)	Percentage Change Q4 19/18	2018	Q4 2018	Q4 2019 (a)	Percentage Change Q4 19/18
Defaulted Credit Cards *	112,676	112,676	139,492	23.8	9.3	9.3	12.2	31.2

(a) Provisional

Source: Credit Information Bureau of Sri Lanka

*Where the payment is in arrears for 90 days or more

Chart 35

Number of Credit Cards under Defaulted Payment Category (As at end period)

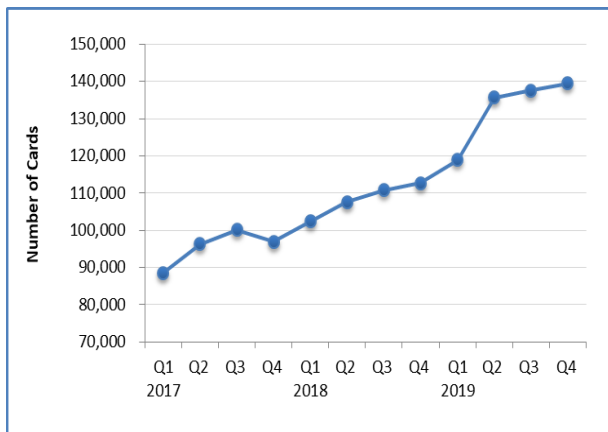
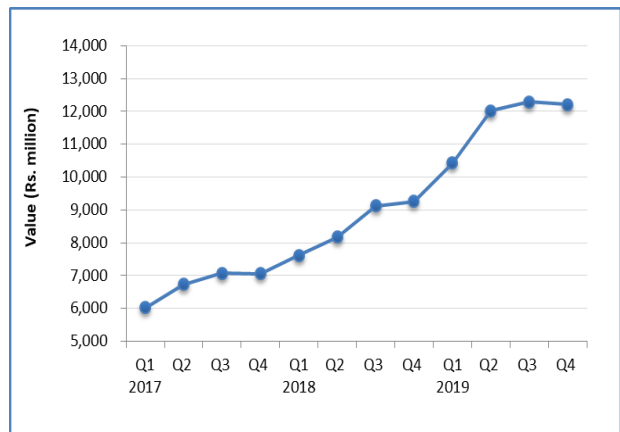


Chart 36

Value of Credit Cards under Defaulted Payment Category (As at end period)



(b) Debit Cards

- Debit cards were first introduced to Sri Lanka in 1997.
- As at the end of fourth quarter 2019, 18 Licensed Commercial Banks, 3 Licensed Specialised Banks and, 11 Finance Companies had been licensed for issuing debit cards.

Table: 12

Debit Card Transactions

Description	2018	Q4 2018	Q4 2019 (a)	Percentage Change	
				Q4 18/17	Q4 19/18
1 Number of cards issued during the period	3,371,536	935,502	1,071,722	18.0	14.6
2 Total number of cards in use (as at end period)	22,329,928	22,329,928	23,067,540	13.3	3.3
3 Total volume of transactions (million) (b)	56.6	15.7	20.6	23.9	31.2
4 Total value of transactions (Rs. billion)(b)	158.7	44.4	57.9	23.0	30.4

(a) Provisional

Sources: Licensed Commercial Banks
Licensed Specialised Banks
Finance Companies

(b) Transactions carried out at POS terminals during the period

Chart
37

Debit Card Transactions
(carried out at POS terminals)

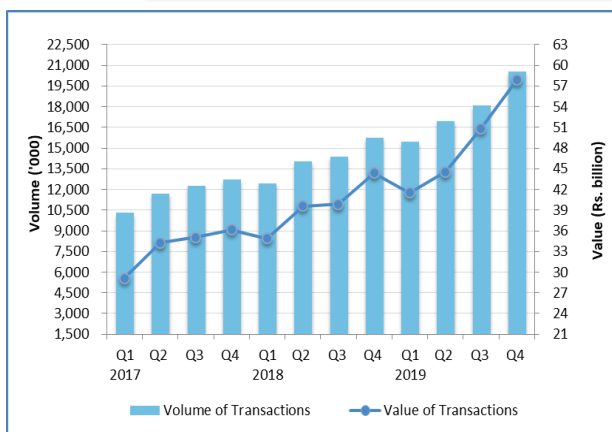


Chart
38

Number of New Debit Cards Issued
and Total Number of Debit Cards in
Use

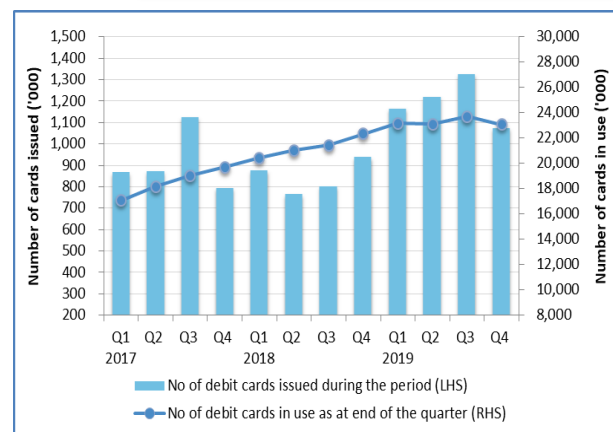


Chart
39

Average Volume of Transactions
(carried out at POS terminals) per
Debit Card

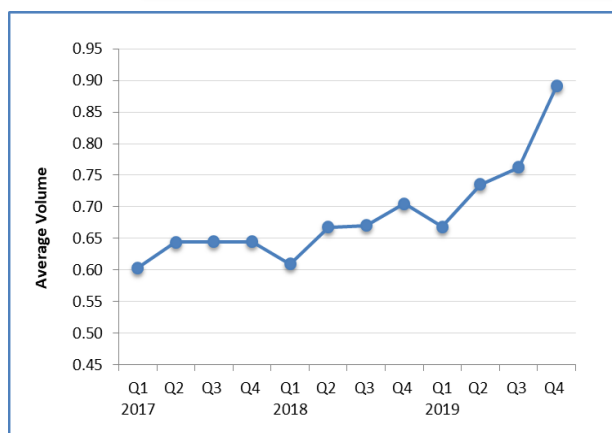
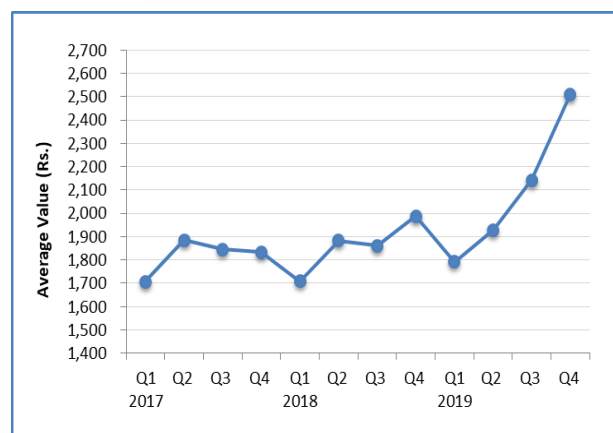


Chart
40

Average Value of Transactions
(carried out at POS terminals) per
Debit Card



2.4.2 Payment Card Infrastructure

(a) Automated Teller Machines

- Automated Teller Machines (ATMs) were introduced to Sri Lanka in 1986.
- Services provided through ATMs include cash withdrawals, balance inquiries, cheque book requisitions, fund transfers, cash and cheque deposits, utility bill payments and change of Personal Identification Numbers (PIN) etc.

Table: 13

ATM Terminals

Description	2018	Q4 2018	Q4 2019 (a)	Percent Change	
				Q4 18/17	Q4 19/18
1. Number of ATM terminals in use (as at end period)	4,618	4,618	5,006	9.8	8.4
2. Total volume of financial transactions during the period (million)(b)	253.8	65.0	76.0	4.2	16.9
3. Total value of financial transactions during the period (Rs. billion)(b)	2,744.8	692.5	875.6	6.9	26.4

(a) Provisional

(b) Cash withdrawals at ATMs during the period

Sources: Licensed Commercial Banks
Licensed Specialised Banks
Finance Companies

Chart
41

Average Volume of Transactions per
ATM Terminal

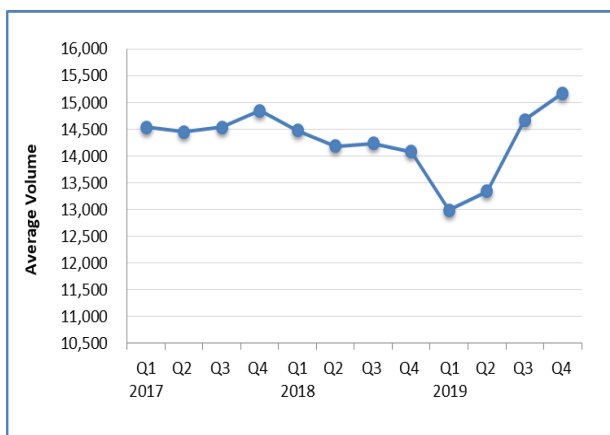


Chart
42

Average Value of Transactions per
ATM Terminal

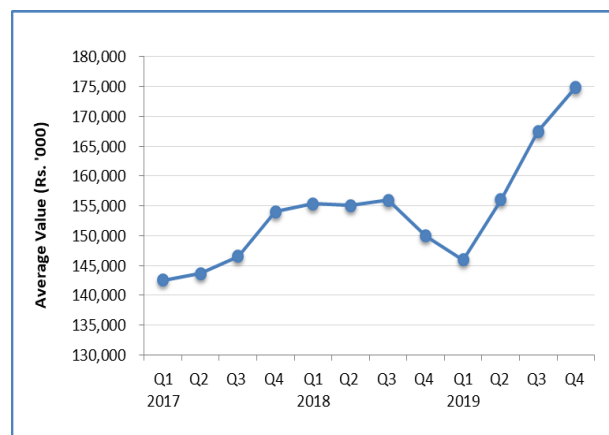


Chart
43

ATM Cash Withdrawals and Payments
Effected through Debit Cards and
Credit Cards in Volume Terms

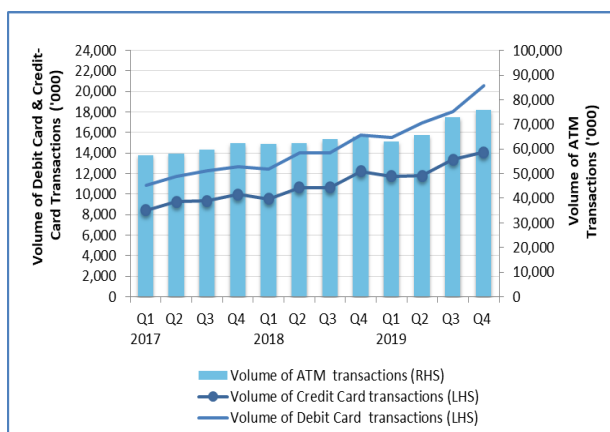
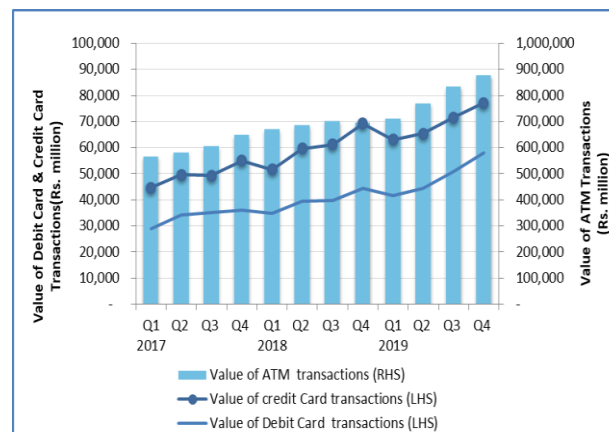


Chart
44

ATM Cash Withdrawals and Payments
Effected through Debit Cards and
Credit Cards in Value Terms



(b) Point of Sale Terminals

- Point of Sale (POS) terminals were introduced to Sri Lanka in 1994.
- POS terminals allow customers to make payments through credit, debit and stored value cards at merchants' outlets.
- All Financial Acquirers of Payment Cards in Sri Lanka upgraded their POS terminals with the Terminal Line Encryption technology by 31 March 2013, adhering to the directive given by CBSL to enhance the security of payment card transactions.
- In 2014, CBSL instructed all financial acquirers to ensure that merchants acquired by them do not engage in double swiping (i.e. merchants swiping payment cards in devices other than POS terminals provided by financial acquirers) with the intention of protecting card holder data from unauthorized use.
- As at end of the fourth quarter of 2019, 10 Licensed Commercial Banks and 1 Private Company had been licensed to function as Financial Acquirers of Payment Cards.

Table: 14

Payments at POS Terminals

Description	2018	Q4 2018	Q4 2019 (a)	Percentage Change	
				Q4 18/17	Q4 19/18
1 Number of POS terminals in use (as at end period)	62,655	62,655	82,674	28.3	32.0
2 Total volume of transactions during the period (million)	102.9	28.6	33.5	23.3	17.1
3 Total value of transactions during the period (Rs. billion)	538.4	154.0	163.3	26.9	6.0

(a) Provisional

Source: Licensed Financial Acquirers of Payment Cards

Chart 45

Average Volume of Transactions per POS Terminal

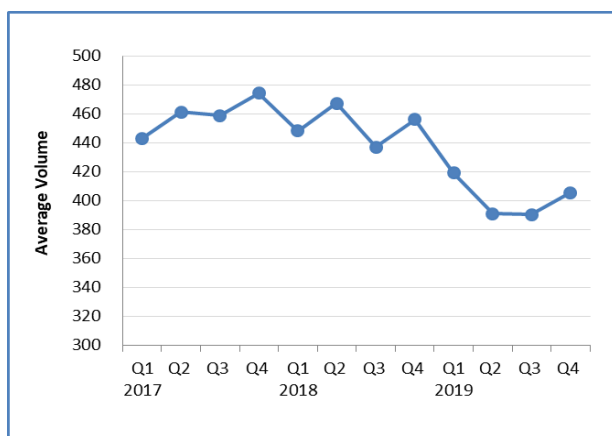
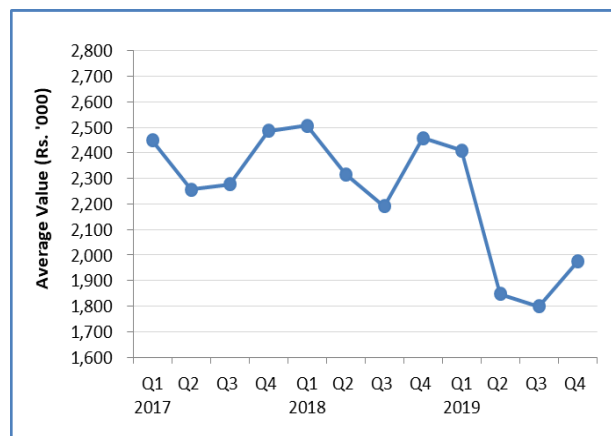


Chart 46

Average Value of Transactions per POS Terminal



2.4.3 Mobile Phone based Payment Mechanisms

- Service Providers of Mobile Payment Systems (Operators of Customer Account based Mobile Payment Systems and Operators of Mobile Phone based e-money Systems) are required to obtain licences from CBSL to function as service providers of mobile payment systems.

Licensed Service Providers of Mobile Payment Systems

(As at end of the fourth quarter 2019)

Class of Business	Number of Licensed Service Providers
Operators of Customer Account based Mobile Payment Systems	12
Operators of Mobile Phone based e-money Systems	2

(a) Customer Account based Mobile Payment Systems

- Customer Account based Mobile Payment Systems (Mobile Phone Banking) provide the facility to customers of licensed service providers to access their accounts through their mobile phones.
- The Mobile Payments Guidelines No. 1 of 2011 were issued by CBSL to streamline the Mobile Phone Banking services.

Table: 15

Mobile Phone Banking

Description	Volume ('000)				Value (Rs. billion)			
	2018	Q4 2018	Q4 2019 (a)	Percentage Change Q4 19/18	2018	Q4 2018	Q4 2019 (a)	Percentage Change Q4 19/18
Total Transactions (during the period)	8,168	2,955	5,122	73.3	142.4	50.5	104.9	107.7

(a) Provisional

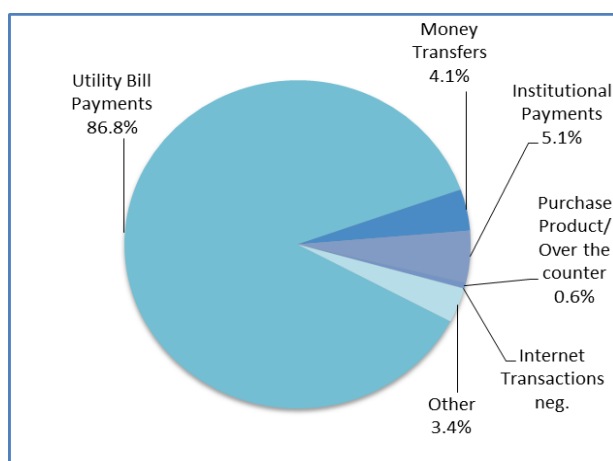
Source: Licensed Commercial Banks

(b) Mobile Phone based e-money Systems

- Mobile phone based e-money systems issue monetary value upon receipt of funds and store electronically for the purpose of using for payments.
- The Mobile Payments Guidelines No. 2 of 2011 were issued to streamline the custodian account based mobile payment services.
- In June 2012, a mobile network operator obtained a licence from CBSL to operate the first mobile phone based e-money system, while another mobile network operator was licensed and commenced operations of its mobile phone based e-money system in November 2013.

Chart 47

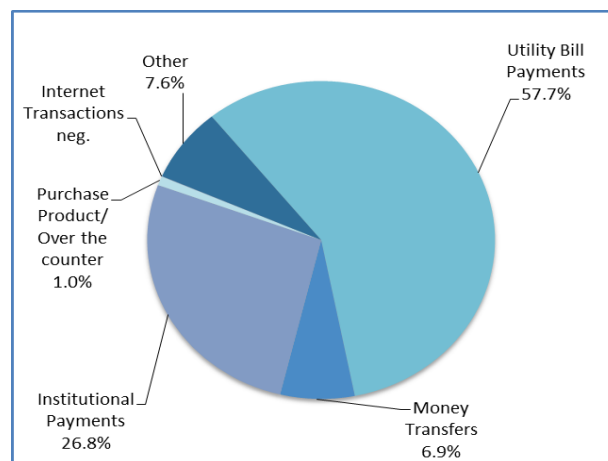
Composition of Mobile Phone based e-money Transactions in Q4 2019 (in Volume Terms)



neg. - negligible

Chart 48

Composition of Mobile Phone based e-money Transactions in Q4 2019 (in Value Terms)



Source: Operators of Mobile Phone based e-money Systems

2.5 Internet based Payment Systems

- Internet banking which allows bank customers to access banking services in a convenient and efficient manner through Internet was introduced in Sri Lanka in 1999.
- Financial institutions offer facilities through Internet banking, for customers mainly to obtain account information, apply or subscribe for financial products/services, perform own account/ third party fund transfers and pay utility bills.

Table: 16

Internet based Payment Systems

Description	Volume ('000)				Value (Rs. billion)			
	2018	Q4 2018	Q4 2019 (a)	Percentage Change Q4 19/18	2018	Q4 2018	Q4 2019 (a)	Percentage Change Q4 19/18
Total financial transactions (during the period)	26,930.4	7,586.8	10,623.5	40.0	2,939.3	673.4	1,139.3	69.2

(a) Provisional

Sources: Licensed Commercial Banks
Licensed Specialised Banks
Finance Companies

2.6 Tele-banking

- Tele-banking customers are given access to their bank accounts by connecting via a telephone.
- Services provided through tele-banking, include the facilities to check own account balance, credit card services including checking credit card balances, the status of new credit card application, reporting of lost or stolen credit/debit card, information on banking services and products and utility bill payments.

Table: 17

Tele-banking

Description	2018	Q4 2018	Q4 2019 (a)	Percentage Change Q4 19/18
1. Total volume of financial transactions (during the period)	8,256	1,983	2,918	47.2
2. Total value of financial transactions (during the period) (Rs. million)	905.8	363.1	211.2	-41.8

(a) Provisional

Sources: Licensed Commercial Banks
Licensed Specialised Banks
Finance Companies

2.7 Postal Instruments

- Post offices issue money orders and postal orders to transfer funds and they are mainly used to make small value payments to individuals and institutions.
- A money order is an order granted by the Post Office for the payment of a sum of money through any Post Office.
- A money order can be issued up to a maximum amount of Rs. 25,000.

Table: 18**Volume and Value of Payments Made through Money Orders and Postal Orders**

Description	Volume				Value (Rs. '000)			
	2018	Q4 2018	Q4 2019 (a)	Percentage Change Q4 19/18	2018	Q4 2018	Q4 2019 (a)	Percentage Change Q4 19/18
1. Ordinary Money Orders	104,861	24,347	23,251	-4.5	538,351	111,565	92,977	-16.7
2. E-money Orders	815,760	204,621	190,914	-6.7	5,525,423	1,340,262	1,275,941	-4.8
3. Local Value Payment Money Orders	100,949	26,735	22,665	-15.2	192,726	53,939	40,281	-25.3
Total	1,021,570	255,703	236,830	-7.4	6,256,500	1,505,766	1,409,199	-6.4
Total number of Post Offices (end period)	4,475	4,475	4,474					

(a) Provisional

Source: Postal Department

2.8 Other

- Cash Deposit Machines (CDM) / Cash Recycler Machines (CRM) etc. are also used to make other non-cash payments.
- Some financial institutions provide facility to make cash withdrawals, balance inquiries, utility bill payments, fund transfers etc. through CDMs/CRMs, in addition to providing cash depositing facility,

Table: 19**Cash Deposit Machines (CDM) / Cash Recycler Machines (CRM)**

Description	2018	Q4 2018	Q4 2019 (a)	Percentage Change Q4 19/18
1 No. of CDMs/CRMs in use (as at end period)	1,799	1,799	2,313	28.6

(a) Provisional

Sources: Licensed Commercial Banks /Licensed Specialised Banks /Finance Companies

2.9 Common Card and Payment Switch (CCAPS)

- The CCAPS operated by LCPL, was set up in order to establish a national platform for electronic retail payments in the country.
- CCAPS has been designated as the national payment switch in Sri Lanka and LCPL launched operations of CCAPS under the brand name of "LankaPay".
- CCAPS consists of five switches; Common ATM Switch (CAS), Common Electronic Fund Transfer Switch (CEFTS), Shared ATM Switch (SAS), Common POS Switch (CPS) and Common Mobile Switch (CMobS).

(a) Common ATM Switch (CAS)

- LankaPay CAS, the first phase of CCAPS which provides the facility to customers of LankaPay CAS members to withdraw cash from their accounts and inquire the account balances, through ATMs of other LankaPay members, was launched on 23 July 2013.
- In addition, CDMs/CRMs connected to CAS also provide balance inquiry and cash withdrawal facilities to LankaPay CAS members.
- The General Direction No. 01 of 2013 on Operations of the Common ATM Switch was issued to impose key prudential and obligatory requirements to LCPL and members of CAS.
- As per the General Direction No. 01 of 2014 the maximum fees that can be charged for a LankaPay CAS transaction is as follows:

Description	Maximum Fee (per transaction)	
	For cash withdrawals (Rs.)	For balance inquires (Rs.)
Fees charged from the customer by card issuer	30.00	7.50
Interchange fee charged by financial acquirer from the card issuer	35.00	10.00

- As at end of the fourth quarter 2019, LankaPay CAS consisted of 30 members [twenty one (21) Licensed Commercial Banks, four (4) Licensed Specialized Banks and five (5) Finance Companies] connecting through 4,243 ATMs and CDMs/CRMs.

Table: 20

Common ATM Switch (CAS)

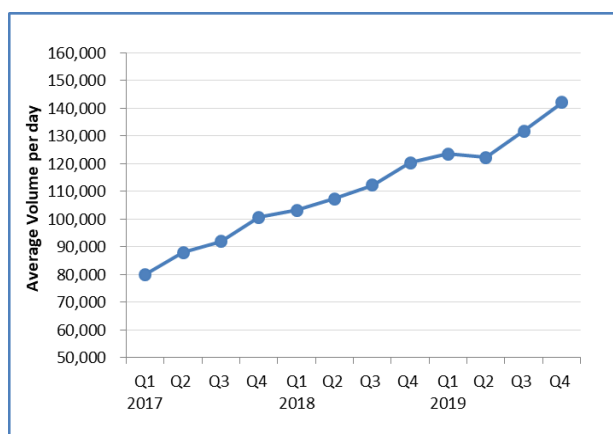
Description	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18
1 Number of CAS members (as at end period)	28	28	30	7.1
2 Number of ATMs and CDMs connected to CAS (as at end period)	4,847	4,847	5,132	5.9
3 Total volume of financial transactions ('000) (a)	40,464.4	11,074.8	13,075.7	18.1
4 Total value of financial transactions (Rs. million) (a)	344,598.5	96,259.2	119,369.7	24.0

(a) Cash withdrawals at ATMs and CDMs/CRMs during the period

Source: LankaClear (Pvt) Ltd.

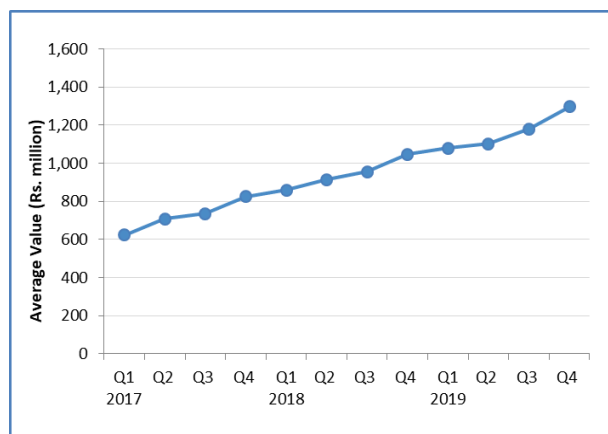
**Chart
49**

**Average Volume of CAS Transactions
per day**



**Chart
50**

**Average Value of CAS Transactions
per day**



(b) Common Electronic Fund Transfer Switch (CEFTS)

- LankaPay CEFTS, the second phase of CCAPS, which provide the real-time, retail fund transfer facilities to customers of LankaPay CEFTS members through payment channels such as Internet Banking, Mobile Banking, Kiosks, Over the Counter (OTC) and Automated Teller Machines (ATM), was launched on 21 August 2015.
- The General Direction No. 01 of 2018 on Operations of the Common Electronic Fund Transfer Switch was issued to facilitate increasing the number of clearing cycles in CEFTS.
- Maximum fee that can be charged from a customer for a CEFTS transaction is as follows:

Fund Transfer mode	Maximum Fee (per transaction) (Rs.)
Effected through Internet Banking, Mobile Banking, ATMs of respective CEFTS members	50.00
Effected through ATMs of other CEFTS members	100.00
Effected Over-the-Counter	100.00

- To facilitate online real time payments to Government Institutions through CEFTS, LCPL implemented LankaPay Online Payment Platform (LPOPP) and started live operations on 20 July 2017.
- Initially, LPOPP is facilitating real time payments to Sri Lanka Customs and as at end fourth quarter 2019, thirteen (13) licensed commercial banks and one licensed specialized bank had connected to LPOPP.
- Payment and Settlement Systems Circular No. 08 of 2017 on Maximum Limits on Transaction Value and Fees of Common Electronic Fund Transfer Switch was issued replacing the Payment and Settlement Systems Circular No. 01 of 2015, in order to increase the maximum per transaction value limit for transactions carried out through a specific transaction code to facilitate real time payments to Sri Lanka Customs.
- The maximum limit for a transaction under code 58, payments to Sri Lanka Customs is Rs. 20 bn, and for any other transaction effected through CEFTS is Rs. 5 mn.
- As at end of the fourth quarter 2019, CEFTS consisted of thirty nine (39) members [twenty four (24) licensed commercial banks four (4) licensed specialized banks and ten (11) Finance Companies].

- In 2017, LCPL implemented the 'JustPay' payment product to facilitate low value payments below Rs. 10,000 and as at end of the fourth quarter 2019, eight (8) licensed commercial banks, two (2) licensed specialized banks and three (3) finance companies had connected to JustPay.

Table: 21

Common Electronic Fund Transfer Switch (CEFTS)

Description	2018	Q4 2018	Q4 2019	Percentage Change Q4 19/18
1 Number of CEFTS members (as at end period)	38	38	39	2.6
2 Total volume of financial transactions ('000)	7,233.6	2,499.5	4,732.0	89.3
3 Total value of financial transactions (Rs. million)	660,349.0	230,730.7	422,304.4	83.0

Source: LankaClear (Pvt) Ltd.

Chart 51

Average Volume of CEFTS Transactions per day

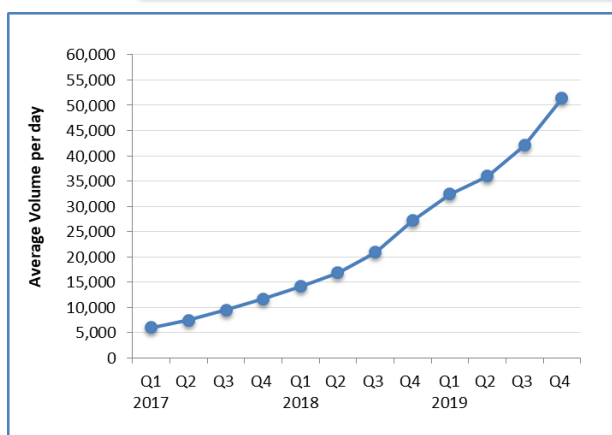
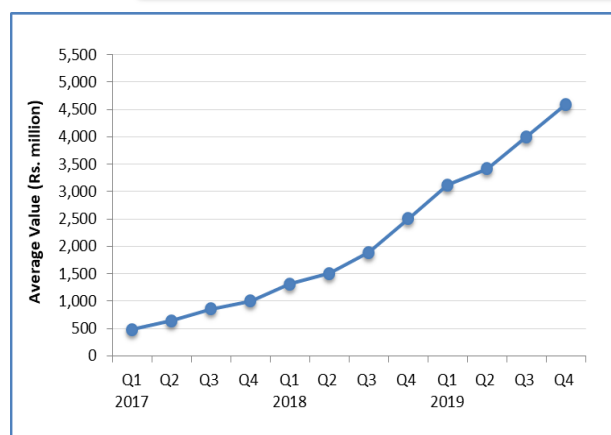


Chart 52

Average Value of CEFTS Transactions per day



(c) Shared ATM Switch (SAS)

- LankaPay SAS provides hosted ATM Switch and Card Management System (CMS) to financial institutions that do not have adequate technical skills and funds for investing in an own ATM Switch and CMS.
- Regional Development Bank joined LankaPay SAS on 27 August 2015 as the first participant of LankaPay SAS, and on 18 January 2018 Sarvodaya Development Finance Limited joined as the second participant.

- The Asian Clearing Union (ACU) was established in 1974 with the main objective of facilitating trade related payments among member countries.
- The headquarters of ACU, which is referred to as the ACU Secretariat, is situated in Teheran, Iran.
- The Board of Directors, i.e. Governors of member Central Banks, is the decision making body of the ACU and Board of Directors meets annually.
- The settlement mechanism of ACU involves settling intra-regional trade related payments among member central banks /monetary authorities on a multilateral basis.
- Settlement of ACU net position and accrued interest takes place bi-monthly as informed by the ACU Secretariat.
- Accounts of ACU members are maintained in Asian Monetary Units (AMUs). AMUs are denominated as ACU Dollar and ACU Euro which are equivalent in value to one US Dollar and one Euro, respectively.
- The 48th meeting of the ACU Board of Directors was held in Bhutan in July 2019.
- At present, ACU consists of 9 central banks/monetary authorities (Bangladesh, Bhutan, India, Iran, Nepal, Maldives, Myanmar, Pakistan and Sri Lanka).

Table: 22

ACU Transactions of Sri Lanka

Description	2018	Q4 2018	Q4 2019	Percentage Change	
				Q4 18/17	Q4 19/18
1 Number of Transactions	6,467	1,494	1,778	-6.2	19.0
2 Value of Total Receipts (Rs. million)	47,257.5	15,731.8	13,269.8	113.4	-15.6
3 Value of Total Payments (Rs. million)	537,734.4	138,573.7	140,777.8	neg.	1.6

neg. – negligible

Source: Central Bank of Sri Lanka

Chart 53

Total Volume of ACU Transactions of Sri Lanka

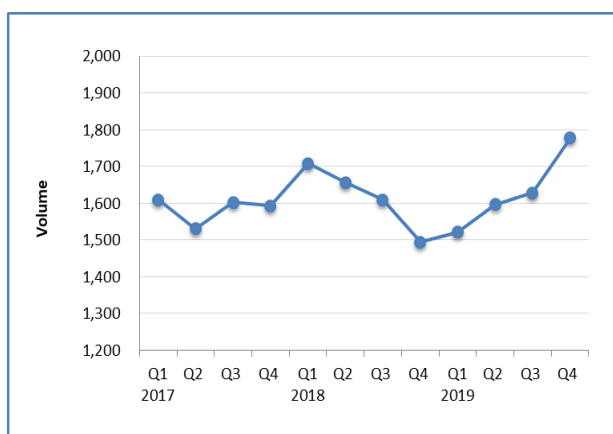
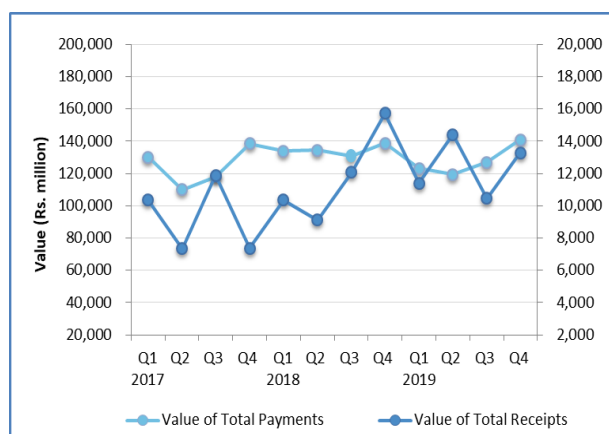


Chart 54

Value of Total Receipts and Payments through ACU of Sri Lanka



- The Society for Worldwide Interbank Financial Telecommunication (SWIFT) is an internationally accepted communication system which exchanges financial transaction information through standardized messages on a secured platform.
- SWIFT was launched in 1973 as a member owned cooperative. Currently, all members are considered as shareholders of the system and the share is determined according to their usage.
- SWIFT is used in more than 11,000 financial institutions over 200 countries.
- Sri Lanka SWIFT participants can connect to SWIFT via two connectivity options; Direct connectivity or through Lanka Financial Services Bureau (LFSB) Ltd.
- The LFSB was established in 2007 to obtain connectivity through a service bureau and currently 26 institutions (CBSL, 16 Licensed Commercial Banks, 7 Primary Dealer Companies, one Finance Company and the Central Depository System of Colombo Stock Exchange) are obtaining services through LFSB.

Table: 23

Participation in SWIFT by Financial Institutions

Description	Sri Lanka			Worldwide		
	2018	Q4 2018	Q4 2019	2018	Q4 2018	Q4 2019
SWIFT users (end of period)	38	38	38	11,324	11,324	11,277

Source: SWIFT

Table: 24

SWIFT Message Flow in Sri Lanka

Description	2018	Q4 2018	Q4 2019	Percentage Change	
				Q4 18/17	Q4 19/18
1 All messages sent by domestic users	5,749,859	1,524,240	1,570,621	12.8	3.0
Customer fund transfers messages	862,501	217,849	222,658	1.0	2.2
Bank fund transfers messages	521,961	133,072	124,582	2.1	-6.4
2 All messages received by domestic users	5,836,954	1,546,417	1,572,483	9.6	1.7
Customer fund transfers messages	1,797,378	440,910	415,238	-9.5	-5.8
Bank fund transfers messages	179,471	51,507	47,039	10.6	-8.7
3 Domestic SWIFT Traffic	1,977,424	526,633	473,804	19.6	-10.0
4 Global SWIFT Traffic (million)	7,874	2,040	2,182	11.1	7.0

Source: SWIFT

Table: 25

Total Volume and Value of Transactions

Payment Systems/Instruments	2015	2016	2017	2018	2019 (a)
Large Value Payment Systems					
RTGS System					
Volume of transactions ('000)	322.2	366.0	377.3	405.2	428.1
Value of transactions (Rs. bn)	84,432.0	93,377.9	92,302.7	100,473.1	117,150.9
Retail Value Payment Systems					
Main Cheque Clearing System (b)					
Volume of transactions ('000)	49,325.7	51,995.8	51,963.3	50,352.2	46,801.8
Value of transactions (Rs. bn)	8,434.0	9,601.5	10,481.9	10,528.4	9,863.1
Sri Lanka Interbank Payment System (SLIPS)					
Volume of transactions ('000)	23,279.3	26,646.7	30,017.8	32,943.3	36,612.4
Value of transactions (Rs. bn)	1,169.1	1,457.5	1,725.0	1,972.2	2,104.2
Credit Cards					
No. of cards in use (g)	1,145,055	1,315,915	1,486,545	1,710,671	1,854,103
Volume of transactions ('000)	26,334.7	31,857.7	36,964.2	43,599.8	50,969.1
Value of transactions (Rs. bn)	154.2	182.1	198.5	241.8	277.2
Debit Cards (e)					
No. of cards in use (g)	15,243,811	17,732,516	19,702,875	22,329,928	23,067,540
Volume of transactions ('000)	30,686.4	38,083.5	46,963.8	56,595.1	71,095.6
Value of transactions (Rs. bn)	83.1	108.0	134.5	158.7	194.8
ATM Terminals (f)					
No. of ATM Terminals (g)	3,572	3,874	4,206	4,618	5,006
Volume of transactions ('000)	203,113.0	223,680.2	238,249.9	253,756.4	277,868.2
Value of transactions (Rs. bn)	1,731.5	2,082.6	2,395.7	2,744.8	3,187.6
POS Terminals					
No. of POS Terminals (g)	40,539	43,355	48,828	62,655	82,674
Volume of transactions ('000)	54,604.6	70,024.0	83,988.3	102,893.4	121,973.5
Value of transactions (Rs. bn)	278.5	359.0	432.7	538.4	605.4
Mobile Phone Banking					
Volume of transactions ('000)	1,980.3	3,433.0	3,799.4	8,168.0	17,619.2
Value of transactions (Rs. bn)	11.3	14.6	31.4	142.4	337.2
Internet Banking					
Volume of transactions ('000)	13,725.2	18,163.6	23,065.6	26,930.4	36,482.8
Value of transactions (Rs. bn)	1,204.9	1,588.6	2,100.6	2,939.3	3,875.1
Tele-banking					
Volume of transactions ('000)	12.5	11.1	9.3	8.3	10.5
Value of transactions (Rs. bn)	1.0	0.9	0.7	0.9	1.3
Transactions cleared through CCAPS					
Common ATM Switch (CAS) (c)(f)(h)					
Volume of transactions ('000)	12,973.4	22,803.2	32,921.2	40,464.4	47,443.9
Value of transactions (Rs. bn)	89.9	173.0	264.1	344.6	425.2
Common Electronic Fund Transfer Switch (CEFTS) (d)					
Volume of transactions ('000)	16.6	894.7	3,163.4	7,233.6	14,798.8
Value of transactions (Rs. bn)	1.0	69.4	273.7	660.3	1,382.8
(a) Provisional (b) Total cheques cleared through LCPL (c) Implemented on 23 July 2013 (d) Implemented on 21 August 2015 (e) Transactions carried out at POS terminals (f) Cash withdrawals at ATMs (g) As at end period (h) Revised					

Table: 26

Key Indicators

Indicator	2015	2016	2017	2018	2019 (a)
1. Currency in circulation as a percentage of GDP	4.5	4.6	4.5	4.4	4.5
2. Per capita Currency in Circulation value (Rs.)	23,452	26,071	27,889	29,577	31,095
3. Currency (held by Public) as a percentage of GDP	3.5	3.6	3.3	3.3	3.3
4. Per capita RTGS transaction value (Rs.)	4,027,091	4,403,996	4,304,362	4,636,505	5,373,156
5. RTGS transactions value as a percentage of GDP	771	778	693(d)	699(d)	780
6. RTGS transactions Concentration ratio (Based on the value of top five participants)	59.2	49.9	55.1	53.6	53.0
7. Per capita Cheque usage (c)	2.4	2.5	2.4	2.3	2.1
8. Per capita Cheques transaction value (Rs.)	402,271	452,836	488,804	485,851	452,371
9. Cheque transaction value as a percentage of GDP	77.0	80.0	78.6(d)	73.3(d)	65.7
10. Per capita SLIPS transaction value (Rs.)	55,762	68,741	80,444	91,010	96,508
11. SLIPS transaction value as a percentage of GDP	10.7	12.1	12.9	13.7(d)	14.0
12. Per capita Debit Card transaction value (Rs.)(e)	3,963	5,096	6,274	7,325	8,932
13. Per capita Credit Card transaction value (Rs.)	7,352	8,589	9,259	11,158	12,714
14. Per capita Internet banking transaction value (Rs.)	57,467	74,925	97,956	135,640	177,732
15. Per capita Mobile banking transaction value (Rs.)	539	688	1,466	6,570	15,465
16. Per capita Tele banking transaction value (Rs.)	48	45	34	42	62
17. Number of POS terminals per 1,000 inhabitants	1.9	2.0	2.3	2.9	3.8
18. Number of ATM terminals per 1,000 inhabitants	0.17	0.18	0.20	0.21	0.23
19. GDP at current Market prices (Rs. billion) (b)	10,951	11,996	13,328(d)	14,366(d)	15,016
20. Mid-Year Population ('000) (b)	20,966	21,203	21,444	21,670	21,803
(a) Provisional (b) Based on the summary indicators, 2019, Department of Census and Statistics, Sri Lanka (c) Total cheques cleared through LCPL (d) Revised (e) Transactions carried out at POS terminals					

Table: 27

Licensed Service Providers (As at 31 December 2019)

Institution		Classes of Business						
		Issuer of Payment Cards				Financial Acquirer of Payment Cards	Operator of Customer Account Based Mobile Payment System	Operator of mobile Phone Based e-money System
		Debit Card	Credit Card	Stored Value Card	Charge Card			
a) Licensed Commercial Banks		18	14	9	-	10	11	-
1	Amana Bank PLC	√						
2	Bank of Ceylon	√	√	√		√	√	
3	Cargills Bank Ltd	√	√			√	√	
4	Commercial Bank of Ceylon PLC	√	√	√		√	√	
5	DFCC Bank PLC	√	√	√		√		
6	Habib Bank Ltd	√						
7	Hatton National Bank PLC	√	√	√		√	√	
8	National Development Bank PLC	√	√	√		√	√	
9	Nations Trust Bank PLC	√	√	√		√	√	
10	Pan Asia Banking Corporation PLC	√	√				√	
11	People's Bank	√	√	√		√	√	
12	Sampath Bank PLC	√	√	√		√	√	
13	Seylan Bank PLC	√	√	√		√	√	
14	Standard Chartered Bank	√	√				√	
15	State Bank of India	√						
16	The Hongkong & Shanghai Banking Corporation Ltd (HSBC)	√	√					
17	Union Bank of Colombo PLC	√	√					
18	MCB Bank Ltd	√						
b) Licensed Specialised Banks		3	-	-	-	-	1	-
19	National Savings Bank	√					√	
20	Sanasa Development Bank PLC	√						
21	Housing Development Finance Corporation Bank of Sri Lanka (HDFC)	√						

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Licensed Service Providers of Payment Cards and Mobile Payment Systems

Institution		Classes of Business						
		Issuer of Payment Cards				Financial Acquirer of Payment Cards	Operator Customer Account Based Mobile Payment System	Operator of mobile Phone Based e-money System
		Debit Card	Credit Card	Stored Value Card	Charge Card			
c) Finance Companies		11	3	-	-	-	-	-
22	Central Finance Co PLC	√						
23	Citizens Development Business Finance PLC	√	√					
24	Commercial Leasing & Finance PLC	√						
25	L B Finance PLC	√						
26	LOLC Finance PLC	√	√					
27	Fintrex Finance Ltd	√						
28	People's Leasing & Finance PLC	√						
29	Senkadagala Finance PLC	√						
30	Singer Finance (Lanka) PLC	√	√					
31	The Finance Co PLC	√						
32	Siyapatha Finance PLC	√						
d) Non-Finance Institutions		-	-	1	-	1	-	2
33	Global Payments Asia - Pacific Lanka (Private) Limited					√		
34	Dialog Axiata PLC			√				√
35	Mobitel (Pvt) Ltd							√
Total		32	17	10	-	11	12	2

Acts	
01	Monetary Law Act, No. 58 of 1949
02	Payment and Settlement Systems Act, No. 28 of 2005
Regulations	
01	Money, Payment, Clearing and Settlement Service Providers Regulation No. 01 of 2007
02	Payment Cards and Mobile Payment Systems Regulations No. 1 of 2013
Directions	
01	General Direction No. 01 of 2006 - Cheque Imaging and Truncation System (CITS)
02	General Direction No. 01 of 2011 - Sri Lanka Interbank Payment System (SLIPS)
03	General Direction No. 01 of 2013 - Operations of the Common ATM Switch
04	General Direction No. 03 of 2013 - Service Norms and Standard Times for Accepting Cheque Deposits and Crediting Proceeds
05	General Direction No. 01 of 2014 - Fees Chargeable on the Transactions Effected through the Common ATM Switch
06	Direction No. 01 of 2018 - Acquiring Payment Card based Electronic Commerce Transactions through Service Providers
07	General Direction No. 01 of 2018 - Operations of the Common Electronic Fund Transfer Switch
08	General Direction No. 02 of 2018 - Operations of the Common Point-of-Sales Switch
Guidelines	
01	Guidelines No. 01 of 2006 on Business Continuity Planning to Licensed Commercial Banks, Primary Dealers, Central Depository System (Pvt.)Ltd. and LankaClear(Pvt.) Ltd.
02	Credit Card Operational Guidelines No. 1 of 2010
03	Mobile Payments Guidelines No. 1 of 2011 for the Bank-led Mobile Payment Services
04	Mobile Payments Guidelines No. 2 of 2011 for Custodian Account Based Mobile Payment Services
05	Guideline No. 01 of 2018 on Minimum Compliance Standards for Payment related Mobile Applications

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Circulars

01	Payment and Settlement Systems Circular No. 02 of 2015 - Maximum Limit on Transaction Fees of Sri Lanka Interbank Payment System
02	Payment and Settlement Systems Circular No. 03 of 2015 - Operator charges and Maximum Limit on Transaction Fees of LankaSettle System
03	Payment and Settlement Systems Circular No. 07 of 2015 - Timelines for Joining Common Card And Payment Switch – LankaPay
04	Payment and Settlement Systems Circular No. 08 of 2017 - Maximum Limits on Transaction Value and Fees of Common Electronic Fund Transfer Switch
05	Payment and Settlement Systems Circular No. 09 of 2017 - Amendment to Daily Operating Schedule of the LankaSettle System
06	Payment and Settlement Systems Circular No. 07 of 2018 – Liability Manager Limits in LankaPay Common ATM Switch and LankaPay Common Electronic Fund Transfer Switch
07	Payment and Settlement Systems Circular No. 01 of 2019 – Providing Real Time Notifications for Transactions Effected Through Electronic Payment Instruments/ Mechanisms
08	Payment and Settlement Systems Circular No. 02 of 2019 – Establishment of a National Quick Response Code Standard for Local Currency Payments
09	Payment and Settlement Systems Circular No. 06 of 2019 - Amendment to Daily Operation Schedule of the LankaSettle System
10	Payment and Settlement Systems Circular No. 08 of 2019 - Number of e-Money Accounts, Individual Stored Value Limits, Day Limits and Transaction Limits Applicable for Customer e-money Accounts

1950	August	Functions of the Colombo Clearing House were taken over by the Central Bank of Sri Lanka (CBSL)
1974	December	CBSL joined the Asian Clearing Union (ACU) – (An Intra-regional Clearing Union)
1986	June	Introduction of Automated Teller Machines (ATMs) in Sri Lanka
1988	March	Establishment of Sri Lanka Automated Clearing House (SLACH)
1989	February	Introduction of Credit Cards by commercial banks in Sri Lanka
1994	June	CBSL joined the SWIFT
	August	Introduction of Sri Lanka Interbank Payment System (SLIPS) - An off-line Electronic Fund Transfer System
1997	March	Introduction of Debit Cards in Sri Lanka
1999	March	Introduction of Internet Banking in Sri Lanka
2002	January	Establishment of the Payments and Settlements Department of the Central Bank of Sri Lanka
	February	Formation of LankaClear (Pvt) Ltd.
	April	LankaClear (Pvt) Ltd. commenced clearing operations
2003	September	Real Time Gross Settlement (RTGS) System went live
2004	February	LankaSecure, the securities settlement components of LankaSettle went live
	December	Red Book – Payment Systems in Sri Lanka was published by the Bank for International Settlements (BIS)
2005	September	Payment and Settlement Systems Act No. 28 of 2005 was passed in the Parliament
2006	February	Establishment of National Payments Council (NPC)
	March	CBSL issued Guidelines on Business Continuity Planning to participants of the LankaSettle System
	May	Cheque Imaging and Truncation (CIT) System was launched
	May	CBSL issued a General Direction on CIT System to LankaClear (Pvt) Ltd. and participants of the CIT System
	December	CBSL issued norms and standards on settlement of inter participant transactions in the LankaSettle System, to LankaSettle participants
2007	June	The Money, Payment, Clearing and Settlement Service Providers Regulations No. 01 was issued by the Hon. Minister of Finance and Planning Lanka Financial Services Bureau Ltd. was incorporated in June 2007 under the Companies Act 2007
	November	CBSL issued the General Direction on the participating institutions' service norms and standard times for accepting cheque deposit from customers and crediting cheque proceeds to customers' accounts under the CIT System
2008	March	Inauguration of the SAARC Payments Initiative and the first meeting of the SAARC Payments Council (SPC) was held in Colombo, Sri Lanka
	April	Lanka Financial Services Bureau Ltd. began its live operations
2009	January	Option to settle the ACU transactions either in US Dollar or Euro was introduced
	May	Sri Lanka's first certification authority under the brand name of LANKASIGN was established by LankaClear (Pvt) Ltd. to provide digital certificate for the financial sector on electronic transactions
	July	Service Providers of Payment Cards Regulations No. 1 of 2009 was issued by the Hon. Minister of Finance and Planning
	September	LankaSettle System Rules Version 2.0 was issued to participants of the LankaSettle System

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Chronology of Major Events in the Payment and Settlement Systems in Sri Lanka

2010	March	Credit Card Operational Guidelines No. 01 of 2010 was issued
	August	CBSL commenced licensing of service providers of payment cards under the Regulations No. 1 of 2009
	September	SLIP System was upgraded to an on - line system with T+0 settlement facility
2011	January	CBSL issued the General Direction on Sri Lanka Interbank Payment System No. 01 /2011 to LankaClear (Pvt) Ltd. and the participants of the SLIP System
	March	Mobile Payments Guidelines No. 1 of 2011 for the Bank-led Mobile Payment Services and Mobile Payments Guidelines No. 2 of 2011 for Custodian Account Based Mobile Payment Services were issued by CBSL
2012	June	The first Custodian Account Based Mobile Payment System was launched by a Mobile Telephone Network Operator
2013	March	Adoption of the Terminal Line Encryption (TLE) Technology for Electronic Fund Transfer Point of Sales (EFTPOS) Terminals
	May	CBSL issued the General Direction No. 01 of 2013 on the Operations of the Common ATM Switch
	June	The Payment Cards and Mobile Payment Systems Regulations No. 1 of 2013 was issued by the Hon. Minister of Finance and Planning replacing the Service Providers of Payment Cards Regulations No. 01 of 2009 issued in July 2009.
	July	LankaClear (Pvt) Ltd. launched the Common ATM Switch (CAS) as the first phase of the Common Card and Payment Switch (CCAPS)
	July	CBSL issued the General Direction No. 02 of 2013 on the fees chargeable on the transactions effected through the CAS
2014	February	The General Direction No. 01 of 2014 – Fees Chargeable on the Transactions effected through the CAS was issued by CBSL replacing the General Direction No. 02 of 2013
	July	Launching of the Bank Computer Security Incident Response Team (Bank CSIRT), a collective risk mitigating effort of financial institutions operating in Sri Lanka for addressing information security risk
	September	CBSL issued the General Direction No. 02 of 2014 on the operations of the Common Electronic Fund Transfer Switch
2015	August	LankaClear (Pvt) Ltd. launched the Common Electronic Fund Transfer Switch- (CEFTS) as the second Phase of CCAPS LankaClear (Pvt) Ltd. launched Shared ATM switch(SAS) with the participation of the Regional Development Bank CBSL issued the Payments and Settlements Systems Circulars; - No. 01 of 2015 on the Maximum Limits on Transaction Value and fees of Common Electronic Fund Transfer Switch
	September	CBSL issued the Payment and Settlement Systems Circulars; - No. 02 of 2015 on Maximum Limit on Transaction fees of Sri Lanka Interbank Payment System - No. 03 of 2015 on Operator Charges and Maximum Limit on Transaction fees of LankaSettle System
	November	CBSL issued the Payment and Settlement Systems Circulars; - No. 07 of 2015 on the Timelines for Joining Common Card and Payment Switch – LankaPay
	October	LankaClear (Pvt.) Ltd. introduced an online system to transfer the cheque image from the bank to LankaClear (Pvt.) Ltd.

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Chronology of Major Events in the Payment and Settlement Systems in Sri Lanka

2017	July	LankaClear (Pvt) Ltd. implemented LankaPay Online Payment Platform (LPOPP) to facilitate online Customs payments from commercial banks
	October	Daily Operating Schedule of the LankaSettle System was amended to implement 3 rd Clearing Cycles for the fund settlement of Sri Lanka Interbank Payment System (SLIPS)
2018	January	CBSL issued the Direction on Acquiring Payment Card based Electronic Commerce Transactions through Service Providers CBSL issued the Guidelines on Minimum Compliance Standards for Payment related Mobile Applications
	July	CBSL issued the General Direction No. 01 of 2018 on Operations of the Common Electronic Fund Transfer Switch
	August	CBSL issued the General Direction No. 02 of 2018 on Operations of the Common Point-of-Sales Switch
	October	CBSL issued the Payment and Settlement Systems Circular No. 06 of 2018 on Establishment of a National Quick Response Code Standard for Local Currency Payments CBSL issued the Payment and Settlement Systems Circular No. 07 of 2018 on Liability Manager Limits in LankaPay Common ATM Switch and LankaPay Common Electronic Fund Transfer Switch
2019	February	CBSL issued the Payment and Settlement Systems Circular No. 01 of 2019 on Providing Real Time Notifications for Transactions Effected Through Electronic Payment Instruments/ Mechanisms
	March	The Payment and Settlement Systems Circular No. 02 of 2019 on Establishment of a National Quick Response Code Standard for Local Currency Payments was issued by CBSL replacing the Payment and Settlement Systems Circular No. 06 of 2018.
	June	LankaClear (Pvt) Ltd. launched the Common Point of Sales Switch (CPS) as the fourth phase of CCAPS.
	September	A Liquidity Support Facility under Open Market Operations was introduced for Standalone Primary Dealers.
	October	An addendum was issued to be read with the Circular No. 02 of 2019.
	November	The Payment and Settlement Systems Circular No. 08 of 2019 was issued limiting the opening and/or maintaining e-money accounts to one e-money account per individual in each mobile phone based e-money system irrespective of the mobile network used by the e-money account holder to connect to the mobile phone based e-money system.