

# Payments Bulletin

Fourth Quarter 2021



Payments and Settlements Department  
**Central Bank of Sri Lanka**

# Contents

Topic	Page
<u>1 Currency in Circulation</u>	<u>3</u>
<u>2 Non-Cash Payments</u>	<u>4</u>
<u>2.1 Real Time Gross Settlement (RTGS) System</u>	<u>5</u>
<u>2.2 Cheques</u>	<u>8</u>
<u>2.3 Sri Lanka Interbank Payment (SLIP) System</u>	<u>11</u>
<u>2.4 Payment Cards and Mobile Phone based Payment Mechanisms</u>	<u>13</u>
<u>2.4.1 Payment Cards</u>	<u>13</u>
<u>(a) Credit Cards</u>	<u>13</u>
<u>(b) Debit Cards</u>	<u>15</u>
<u>2.4.2 Payment Card Infrastructure</u>	<u>17</u>
<u>(a) Automated Teller Machines (ATMs)</u>	<u>17</u>
<u>(b) Point of Sale (POS) Terminals</u>	<u>18</u>
<u>2.4.3 Mobile Phone based Payment Mechanisms</u>	<u>19</u>
<u>(a) Customer Account based Mobile Payment Systems</u>	<u>19</u>
<u>(b) Mobile Phone based e-money Systems</u>	<u>20</u>
<u>2.5 Internet based Payment Systems</u>	<u>20</u>
<u>2.6 Tele-banking</u>	<u>21</u>
<u>2.7 Postal Instruments</u>	<u>21</u>
<u>2.8 Other</u>	<u>22</u>
<u>2.9 Common Card and Payment Switch (CCAPS)</u>	<u>22</u>
<u>(a) Common ATM Switch (CAS)</u>	<u>22</u>
<u>(b) Common Electronic Fund Transfer Switch (CEFTS)</u>	<u>24</u>
<u>(c) Shared ATM Switch (SAS)</u>	<u>25</u>
<u>(d) Common POS Switch</u>	<u>25</u>
<u>2.10 LANKAQR</u>	<u>26</u>
<u>3 Asian Clearing Union (ACU)</u>	<u>27</u>
<u>4 Transactions through Payment Systems/Instruments</u>	<u>28</u>
<u>5 Key Indicators</u>	<u>29</u>
<u>6 Licensed Service Providers of Payment Cards and Mobile     Payment Systems</u>	<u>30</u>
<u>7 Regulatory Framework of Payment and Settlement Systems in Sri Lanka</u>	<u>32</u>
<u>8 Chronology of Major Events in the Payment and Settlement Systems in     Sri Lanka</u>	<u>34</u>

# 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 2021, currency notes and coins in circulation amounted to Rs. 1,005 billion.

**Table: 1**

**Currency in Circulation (As at end period)**

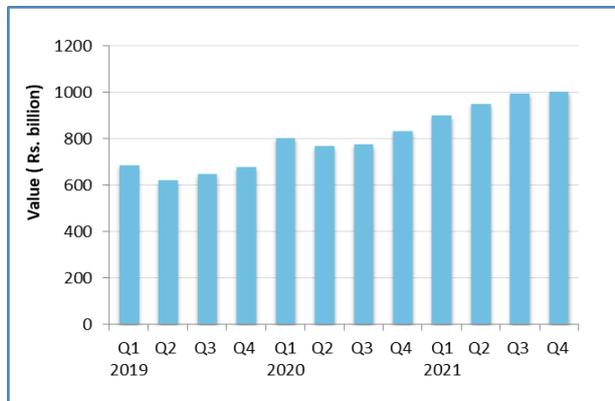
Description	Rs. million		% Change	
	Q4 2020	Q4 2021 (a)	Q4 20/19	Q4 21/20 (a)
Currency in Circulation	834,808	1,005,099	23.1	20.4
of which held by:				
a) Banks	193,798	220,649	5.5	13.9
b) Public	641,010	784,450	29.7	22.4

(a) Provisional

Source: Central Bank of Sri Lanka

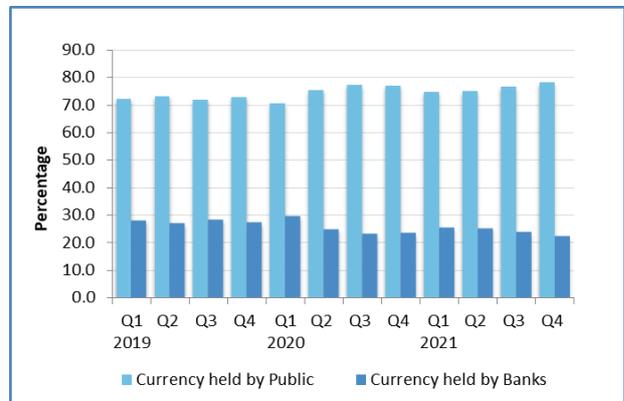
**Chart 1**

**Currency in Circulation**



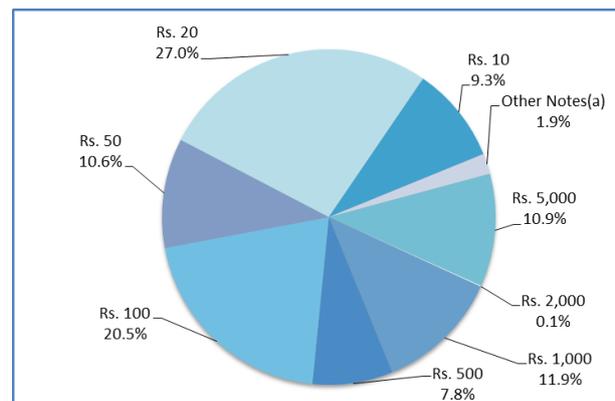
**Chart 2**

**Share of Currency held by Public and Currency held by Banks**



**Chart 3**

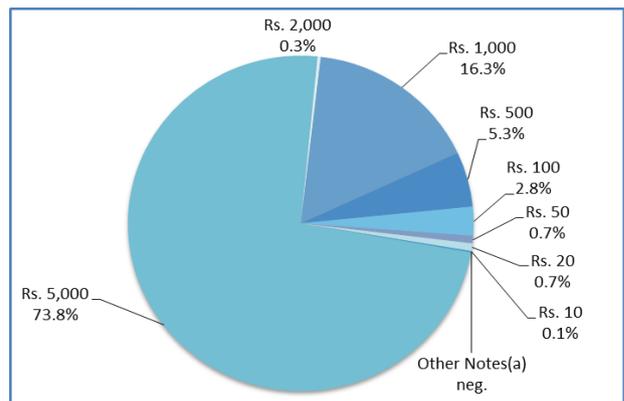
**Currency Notes in Circulation by Denominations at end Q4 2021 (in Volume Terms)**



(a) Currency notes with denominations including Rs.200, Rs.5, Rs.2 and Rs.1

**Chart 4**

**Currency Notes in Circulation by Denominations at end Q4 2021 (in Value Terms)**



neg. - negligible

[Content page](#)

- 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

LANKAQR

Chart 5

### Large Value Payments and Retail Payments (in Value Terms)

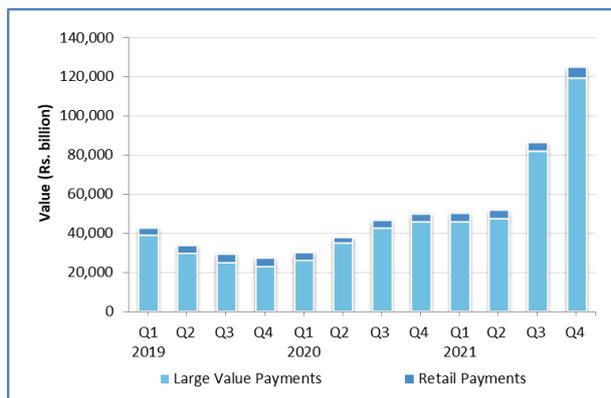
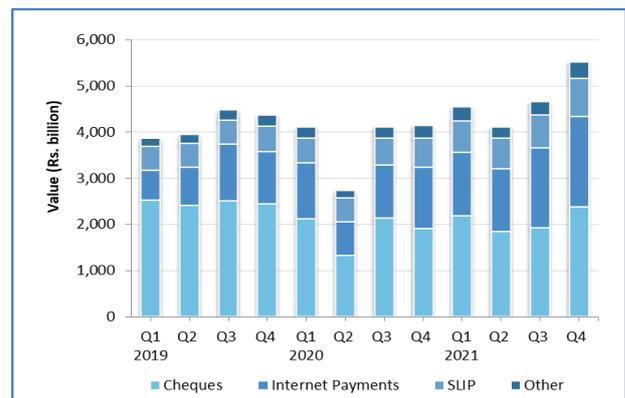


Chart 6

### Retail Payments (in Value Terms)



## 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.
- As at end of the fourth quarter of 2021, there were 34 participants in the RTGS System, i.e. CBSL, 24 Licensed Commercial Banks, 7 Primary Dealer Companies, Employees' Provident Fund and the Central Depository System of the Colombo Stock Exchange.
- The Payment and Settlement Systems Circular No. 18 of 2020 was issued to revise the transaction fees of LankaSettle System with effect from 01 October 2020, through which the fee that can be charged from customers for fund transfers effected through RTGS System was reduced to Rs. 400 from Rs. 1,000 per transaction.

**Table: 2**

### Volume and Value of RTGS Transactions (During the period)

Description	Volume					Value (Rs. billion)				
	2020	2021	Q4 2020	Q4 2021	% Change Q4 21/20	2020	2021	Q4 2020	Q4 2021	% Change Q4 21/20
Total Transactions	397,206	449,828	98,420	131,809	33.93	150,050.6	294,602.0	45,978.2	119,112.9	159.06
Average per day (a)	1,655	1,867	1,587	2,126	33.96	625.2	1,222.4	741.6	1,921.2	159.06

#### Transactions by Type

Repo	42,570	48,960	8,925	19,005	112.94	26,256.6	91,501.6	9,437.2	51,302.5	443.62
Intraday Liquidity Facility (ILF)	40,460	39,085	7,045	13,191	87.24	26,448.6	99,328.2	4,200.2	42,788.6	918.73
Standing Deposit Facility (SDF)	13,021	9,968	3,532	1,990	-43.66	65,459.4	59,015.6	23,935.5	10,402.8	-56.54
Interbank Transactions	32,760	33,610	7,605	9,898	30.15	15,611.2	24,980.1	3,901.0	8,833.9	126.45
Customer Transactions	197,368	235,864	52,813	65,621	24.25	10,919.7	12,896.4	3,122.1	3,812.6	22.12
Clearing House Transactions	69,710	80,151	18,248	21,359	17.05	4,894.0	6,254.4	1,314.9	1,857.0	41.23
Internal Fund Transfers	5	1	1	-	-	0.7	0.3	neg.	-	-
Other Transactions (a)	1,312	2,189	251	745	196.81	460.5	625.5	67.4	115.6	71.51

(a) Includes Rupee Settlement of Central Bank Forex Transactions

Transactions by Size						% Share Q4 2021					% Share Q4 2021
Below Rs. 1 mn	74,266	83,126	19,713	21,604	16.39	15.9	18.1	4.1	4.6	neg.	
Rs. 1 mn – Rs. 100 mn	196,203	235,358	50,187	68,237	51.77	4,871.8	5,863.9	1,207.3	1,713.3	1.44	
Rs. 100 mn – Rs. 500 mn	75,967	68,113	16,252	20,071	15.23	19,388.7	17,243.4	4,135.7	5,173.3	4.34	
Rs. 500 mn – Rs. 1,000 mn	26,078	24,120	5,531	7,729	5.86	19,481.2	18,533.4	4,147.5	5,935.9	4.98	
Rs. 1,000 mn and above	24,692	39,111	6,737	14,168	10.75	106,293.0	252,943.4	36,483.6	106,285.8	89.23	

neg. - negligible

Source: Central Bank of Sri Lanka

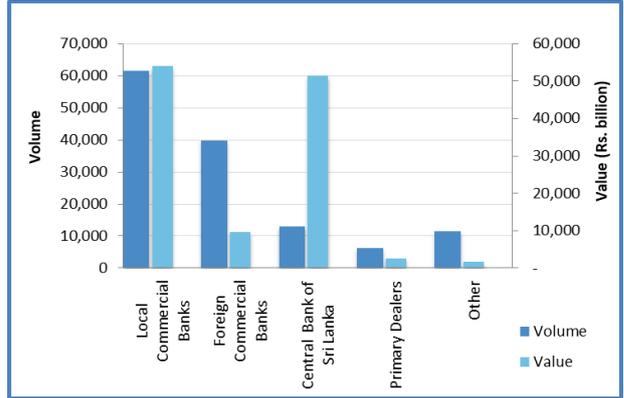
**Chart 7**

**Total Volume and Total Value of RTGS Transactions**



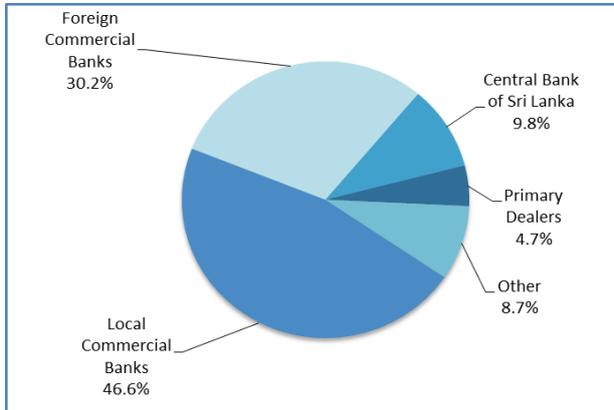
**Chart 8**

**RTGS Transactions by Type of Participants Q4 2021**



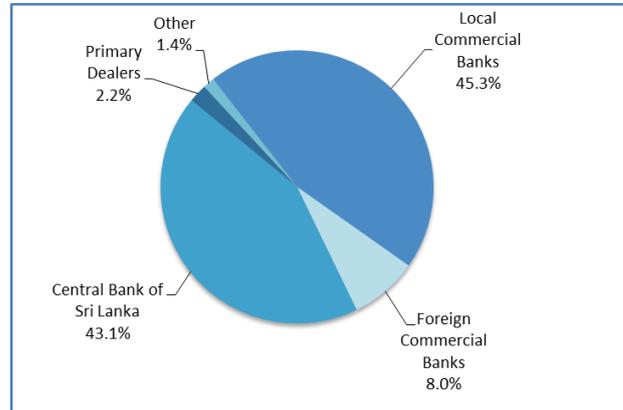
**Chart 9**

**RTGS Transactions by Type of Participants Q4 2021 (in Volume Terms)**



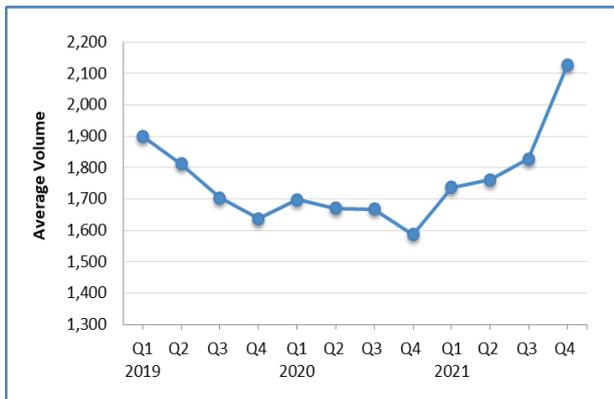
**Chart 10**

**RTGS Transactions by Type of Participants Q4 2021 (in Value Terms)**



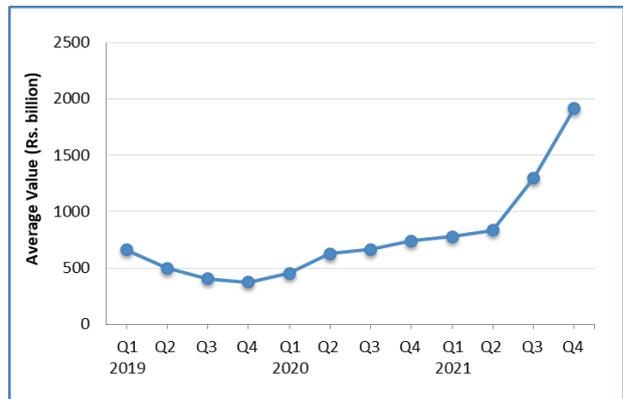
**Chart 11**

**Average Volume of RTGS Transactions per day**



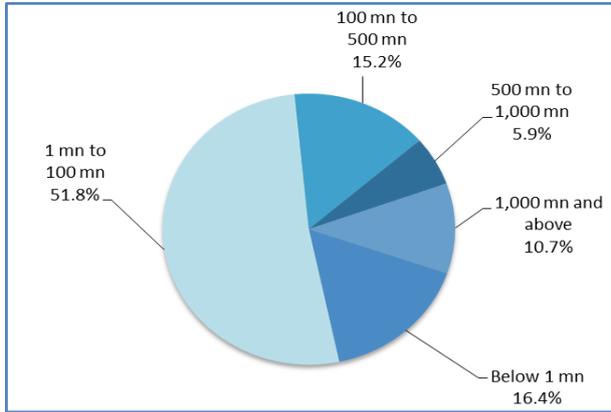
**Chart 12**

**Average Value of RTGS Transactions per day**



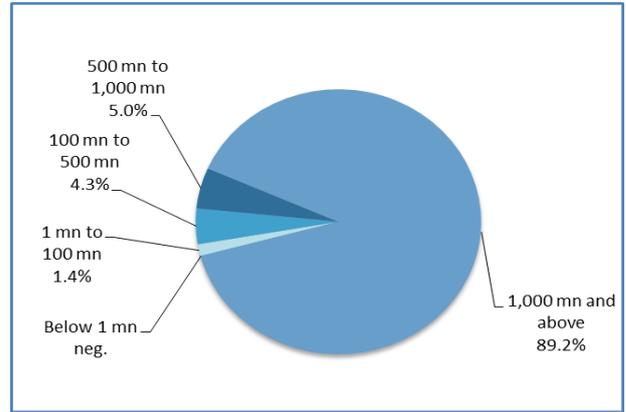
**Chart 13**

**Composition of RTGS Transactions by Size Q4 2021 (in Volume Terms)**



**Chart 14**

**Composition of RTGS Transactions by Size Q4 2021 (in Value Terms)**



neg. - negligible

**Table: 3**

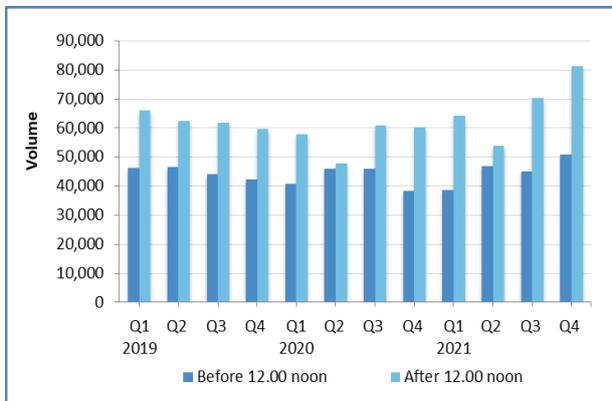
**Time Distribution of RTGS Transactions (During the period)**

Description	Volume				% Share Q4 2021	Value (Rs. billion)				% Share Q4 2021
	2020	2021	Q4 2020	Q4 2021		2020	2021	Q4 2020	Q4 2021	
Before 12.00 noon	170,661	180,953	38,180	50,761	38.5	79,318.2	147,951.6	24,043.9	59,816.3	50.2
After 12.00 noon	226,545	268,875	60,240	81,048	61.5	70,732.4	146,650.5	21,934.4	59,296.6	49.8

Source: Central Bank of Sri Lanka

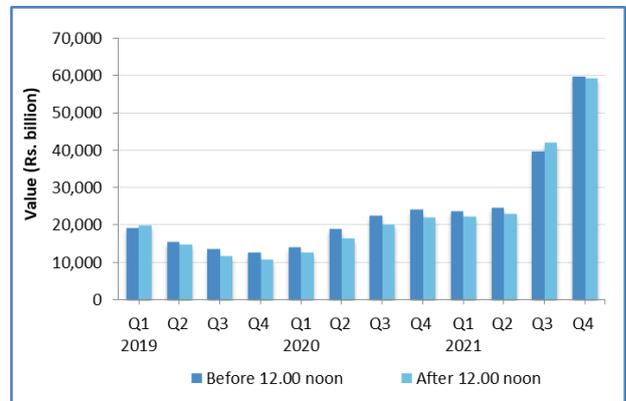
**Chart 15**

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



**Chart 16**

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



## 2.2 Cheques LKR Cheque Clearing

- At present, 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.
- The General Direction No. 01 of 2007 on the Participating Institutions' Service Norms and Standard Times for Accepting Cheque Deposits from Customers and Crediting Cheque Proceeds to Customers' Accounts was replaced by the General Direction No. 03 of 2013 on Service Norms and Standard Times for Accepting Cheque Deposits and Crediting Cheque Proceeds.
- As per the General Direction No.03 of 2013;
  - 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 (During the period)

Description	Volume ('000)					Value (Rs. billion)				
	2020	2021	Q4 2020	Q4 2021	% Change Q4 21/20	2020	2021	Q4 2020	Q4 2021	% Change Q4 21/20
Total Cheques Cleared*	33,631.5	33,021.2	8,394.1	9,057.0	7.90	7,491.0	8,311.5	1,910.0	2,371.7	24.17
Average per day	140.1	137.0	135.4	146.1	7.90	31.2	34.5	30.8	38.3	24.35

### Cheque Clearing by Size

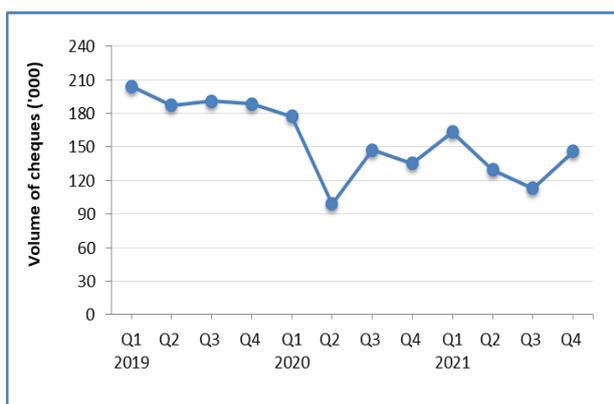
Below Rs. 0.1 mn	24,762.7	23,603.6	6,176.1	6,396.4	3.57	731.5	715.4	183.1	194.3	6.12
Rs. 0.1mn - Rs. 1mn	7,790.2	8,142.0	1,941.6	2,283.9	17.63	2,165.1	2,278.4	542.4	633.5	16.80
Rs.1 mn - Rs.11mn	1,021.3	1,206.5	261.2	356.5	36.49	2,490.0	2,920.0	639.6	856.0	33.83
Rs.11 mn - Rs.51mn	49.8	60.4	13.4	17.7	32.09	1,057.5	1,293.1	285.3	379.8	33.12
Rs.51mn - Rs.100mn	5.8	7.0	1.5	2.1	40.00	437.6	518.7	110.1	153.2	39.15
Above Rs. 100 mn.	1.6	1.6	0.4	0.4	-	609.4	585.9	149.5	154.8	3.55

\* cheques received for clearing

Source: LankaClear (Pvt) Ltd.

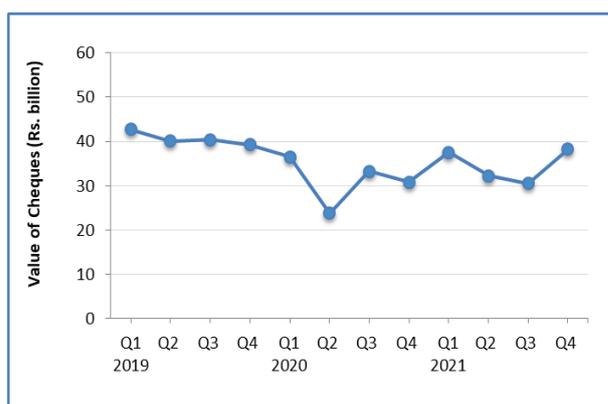
**Chart 17**

**Average Volume of Cheques Cleared per day**



**Chart 18**

**Average Value of Cheques Cleared per day**



**Table: 5**

**Cheque Returns (During the period)**

Description	Volume ('000)					Value (Rs. billion)				
	2020	2021	Q4 2020	Q4 2021	% Change Q4 21/20	2020	2021	Q4 2020	Q4 2021	% Change Q4 21/20
Total Cheques Returned	2,079.3	1,496.5	406.7	213.2	-47.6	277.3	220.8	55.0	42.2	-23.3

Source: LankaClear (Pvt) Ltd.

**Table 6**

**Cheque Returns**

Description	2020	2021	Q4 2020	Q4 2021
Volume of Cheques Returned (as a % of total volume of cheques received for clearing)	6.2	4.5	4.8	2.4
Value of Cheques Returned (as a % of total value of cheques received for clearing)	3.7	2.7	2.9	1.8
Average Volume of Cheques Returned per day	8,664	6,210	6,560	3,439
Average Value of Cheques Returned per day (Rs. million)	1,155.5	916.1	887.6	680.9

Source: LankaClear (Pvt) Ltd.

**Table 7**

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

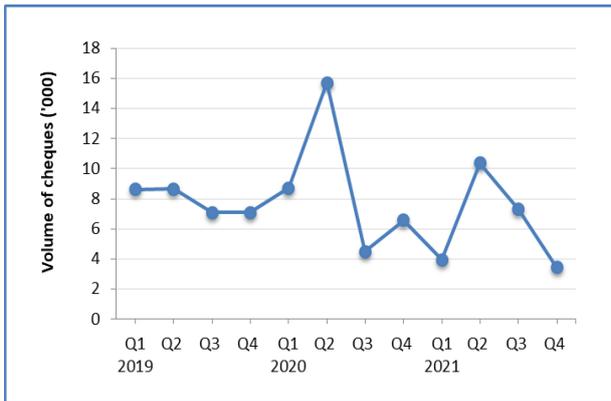
Return Code	2020	2021	Q4 2020	Q4 2021
Refer to Drawer	23.0	20.5	25.7	41.7
Payment Stopped by Drawer	11.1	9.8	13.6	19.1
Account Closed	7.3	5.4	9.2	8.5
Effects not Realized	0.5	0.5	0.5	0.7
Credits not Verified	38.7	50.4	32.4	6.2
Payment postponed pending drawer's confirmation	8.3	1.4	7.3	0.8
Other	11.0	12.0	11.3	23.1

Source: LankaClear (Pvt) Ltd.

[Content page](#)

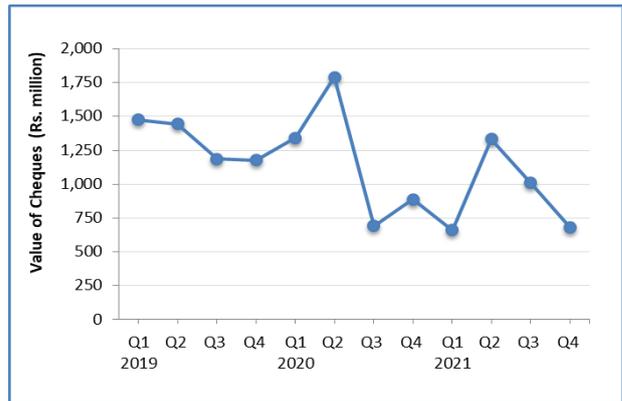
**Chart 19**

**Average Volume of Cheques Returned per day**



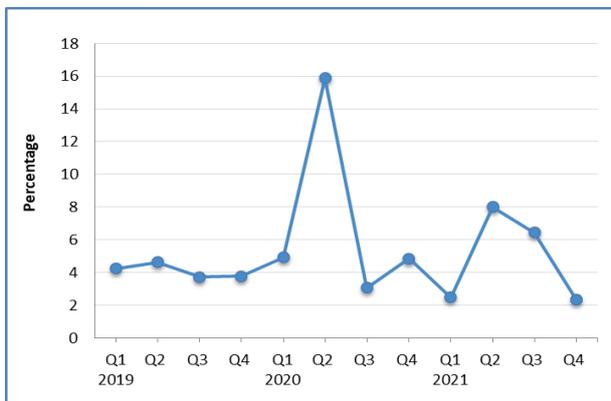
**Chart 20**

**Average Value of Cheques Returned per day**



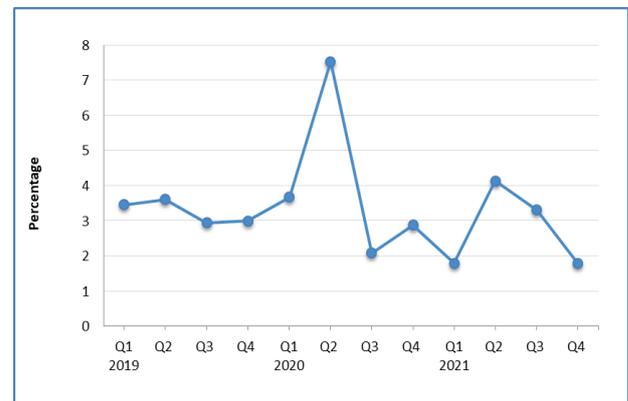
**Chart 21**

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



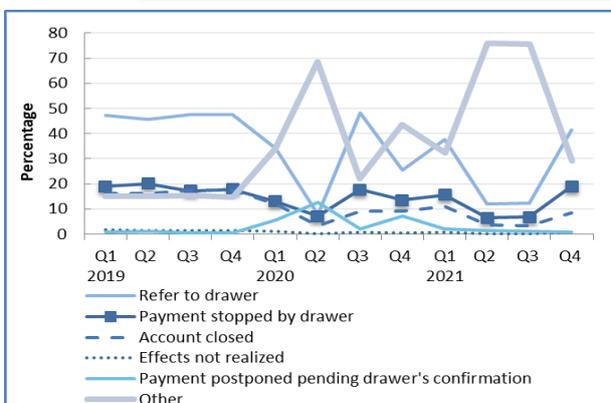
**Chart 22**

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



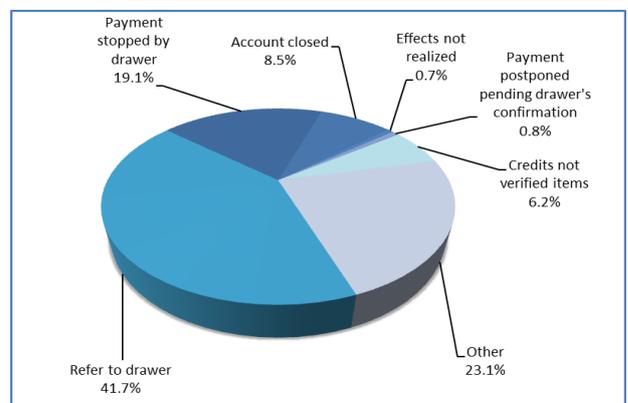
**Chart 23**

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



**Chart 24**

**Composition of Cheque Returns Q4 2021 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.

**Table: 8**

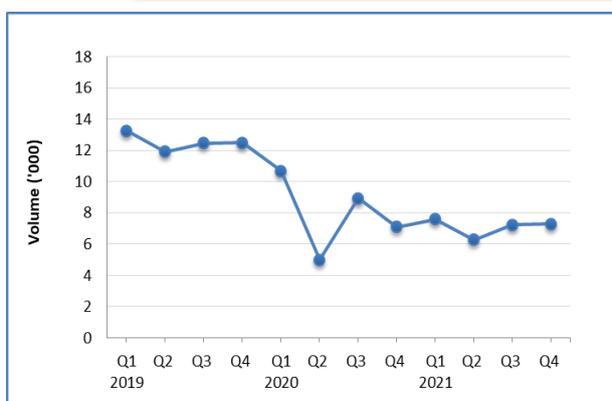
**US Dollar Cheque Clearing (During the period)**

Description	Volume					Value (US Dollar million)				
	2020	2021	Q4 2020	Q4 2021	% Change Q4 21/20	2020	2021	Q4 2020	Q4 2021	% Change Q4 21/20
Total Cheques Cleared	31,671	28,372	7,098	7,281	2.58	259.4	252.8	61.8	70.3	13.75
Cheque Clearing per day	132	118	114	117	2.63	1.1	1.1	1.0	1.1	10.00

Source: LankaClear (Pvt) Ltd.

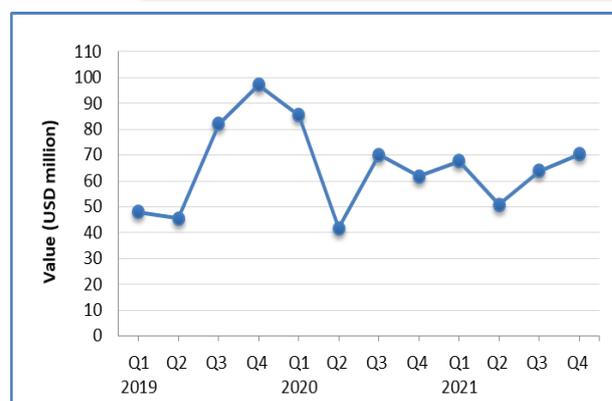
**Chart 25**

**Volume of US Dollar Cheques Cleared**



**Chart 26**

**Value of US Dollar Cheques Cleared**



## 2.3 Sri Lanka Interbank Payment (SLIP) System

- SLIP System is operated by LCPL.
- SLIP System 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.
- A maximum limit of Rs. 5 million per transaction was imposed with effect from 29 October 2010.
- As at end of the fourth quarter of 2021, there were 46 participants in the SLIP System, i.e. CBSL and 23 Licensed Commercial Banks as primary members and, 5 Licensed Specialized Banks 16 Licensed Finance Companies and one other financial institution, as secondary members.

**Table: 9**

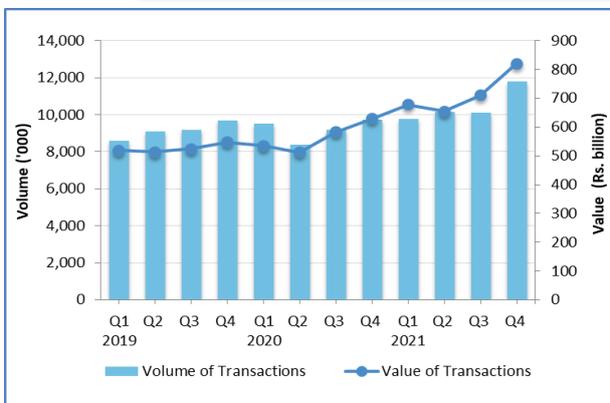
**Transaction Volumes and Values of SLIP System (During the period)**

Description	Volume ('000)					Value (Rs. billion)				
	2020	2021	Q4 2020	Q4 2021	% Change Q4 21/20	2020	2021	Q4 2020	Q4 2021	% Change Q4 21/20
Total Transactions Cleared	36,830.3	41,867.7	9,729.3	11,793.9	21.22	2,256.7	2,862.2	628.4	819.9	30.47
Average per day	153.5	173.7	156.9	190.2	21.22	9.4	11.9	10.1	13.2	30.69
<b>Transactions by Size</b>										
Less than Rs. 1 mn	36,525.9	41,446.7	9,640.6	11,669.4	21.04	1,464.8	1,759.0	398.6	495.3	24.26
Between Rs. 1 mn – 5 mn	304.4	421.1	88.6	124.5	40.52	791.9	1,103.2	229.7	324.5	41.27
<b>Transactions by Type</b>										
Credit transactions	36,820.2	41,858.7	9,726.8	11,791.8	21.23	2,242.2	2,847.5	624.9	816.0	30.58
Debit transactions	10.1	9.1	2.5	2.1	-16.00	14.5	14.7	3.4	3.8	11.76

Source: LankaClear (Pvt) Ltd.

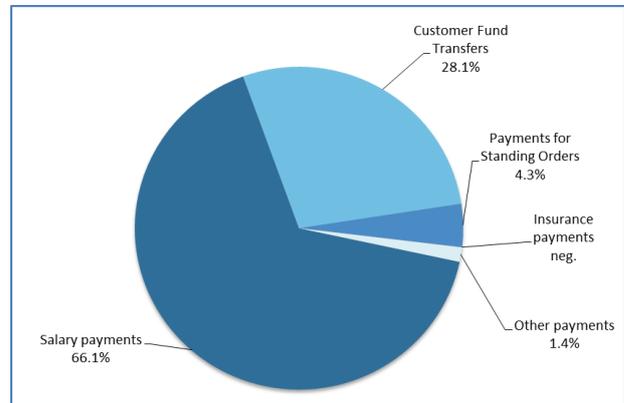
**Chart 27**

**Volume and Value of SLIP System Transactions**



**Chart 28**

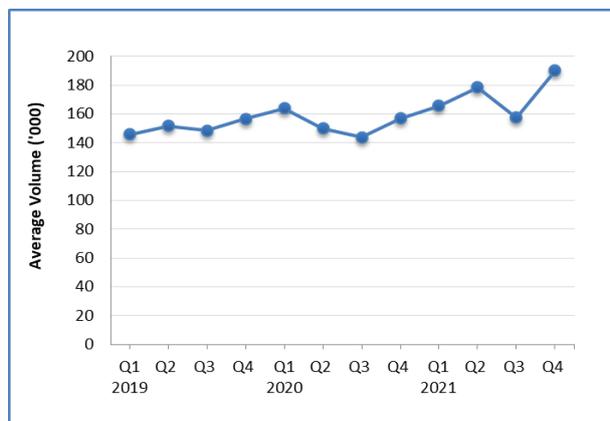
**SLIP System Transactions by Transaction Code Q4 2021 (in Volume Terms)**



neg. - negligible

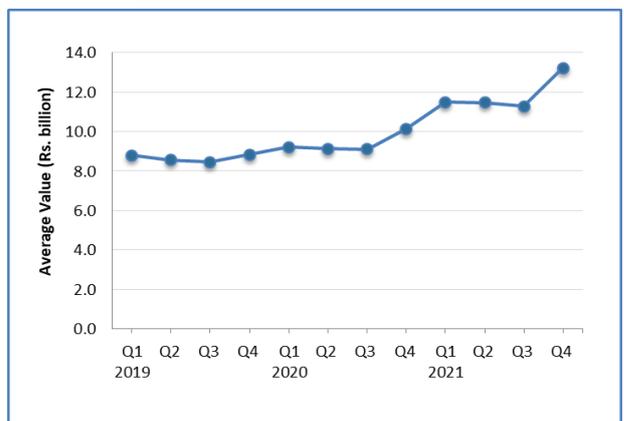
**Chart 29**

**Average Volume of SLIP System Transactions per day**



**Chart 30**

**Average Value of SLIP System Transactions per day**



[Content page](#)

## 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, were issued in July 2009.
- The above regulation was replaced by the Payment Cards and Mobile Payment Systems Regulations No. 1 of 2013 (Regulations) 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 2021)

Class of Business	Number of Service Providers
Issuers of Debit Cards	35
Issuers of Credit Cards	17
Issuers of Stored Value Cards	10
Financial Acquirers of Payment Cards	12

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 was issued to streamline the operations of the credit card business.
- At end of the fourth quarter 2021, 14 Licensed Commercial Banks and 3 Licensed Finance Companies had been licensed to engage in credit card business.

Table: 10

#### Credit Card Transactions

Description	2020	2021 (a)	Q4 2020	Q4 2021 (a)	% Change (a)	
					21/20	Q4 21/20
1. Number of cards issued (during the period)	235,310	285,888	55,963	89,077	21.5	59.2
2. Total number of cards in use (as at end period)	1,984,525	2,054,985	1,984,525	2,054,985	3.6	3.6
3. Total volume of transactions (million)	44.7	50.7	11.7	15.3	13.4	30.8
4. Total value of transactions (Rs. billion)	221.8	282.6	60.4	89.9	27.4	48.8

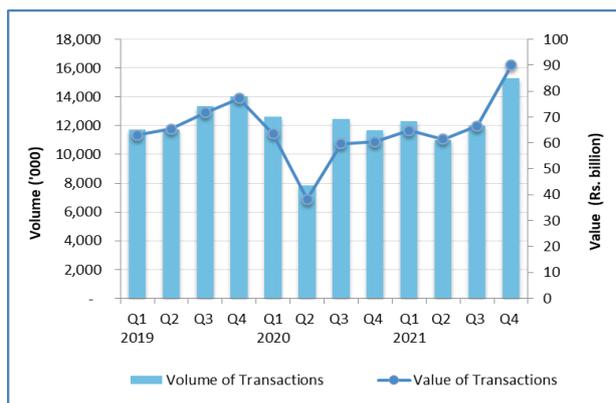
(a) Provisional

Source: Licensed Commercial Bank  
Licensed Finance Companies

[Content page](#)

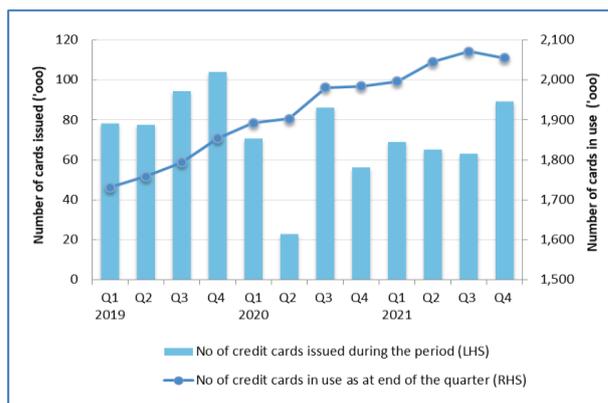
**Chart 31**

**Credit Card Transactions**



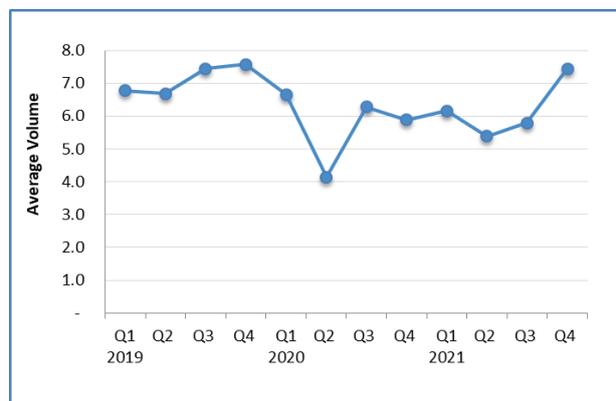
**Chart 32**

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



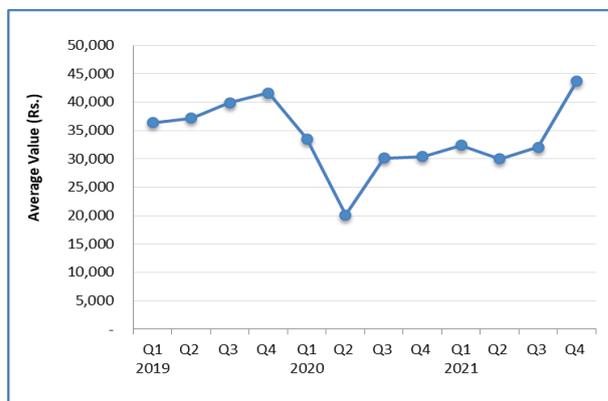
**Chart 33**

**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)		
	Q4 2020	Q4 2021 (a)	% Change Q4 21/20 (a)	Q4 2020	Q4 2021 (a)	% Change Q4 21/20 (a)
Defaulted Credit Cards *	155,448	173,469	11.6	15.5	15.7	1.3

(a) Provisional

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

Source: Credit Information Bureau of Sri Lanka

Chart 35

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

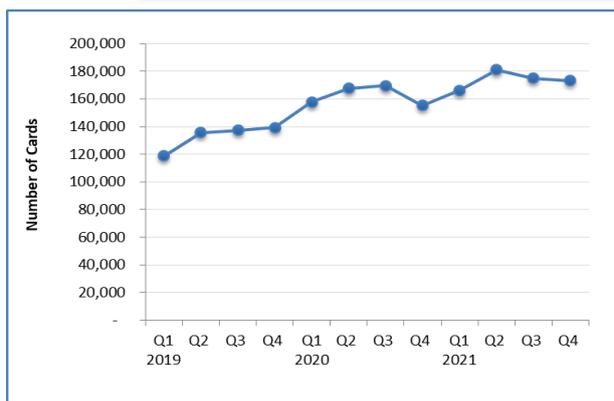
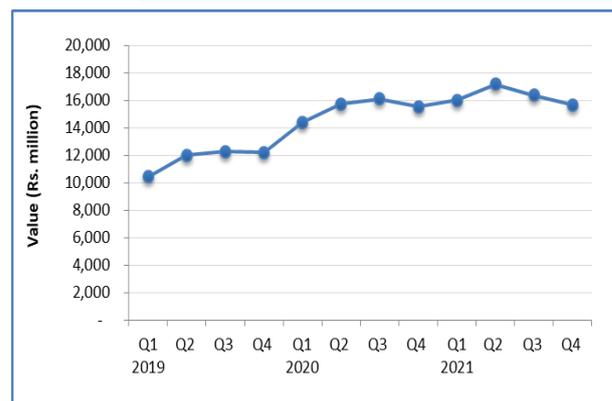


Chart 36

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 2021, 18 Licensed Commercial Banks, 4 Licensed Specialised Banks and, 13 Licensed Finance Companies had been licensed for issuing debit cards.

Table: 12

Debit Card Transactions

Description	2020	2021 (a)	Q4 2020	Q4 2021 (a)	% Change(a)	
					21/20	Q4 21/20
1 Number of cards issued (during the period)	3,673,644	4,867,230	1,134,684	1,216,956	32.5	7.3
2 Total number of cards in use (as at end period)	17,803,673	18,069,812	17,803,673	18,069,812	1.5	1.5
3 Total volume of transactions (million) (b)	75.1	108.0	21.8	35.0	43.8	60.6
4 Total value of transactions (Rs. billion)(b)	209.5	315.9	61.6	107.6	50.8	74.7

(a) Provisional

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

Sources: Licensed Commercial Banks  
Licensed Specialised Banks  
Licensed Finance Companies

Chart 37

Debit Card Transactions (carried out at POS terminals)

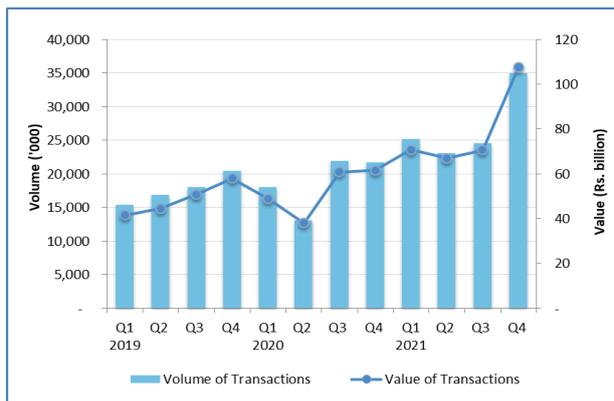


Chart 38

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

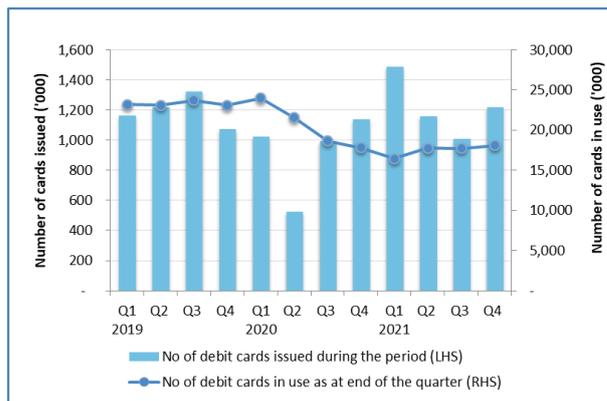


Chart 39

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

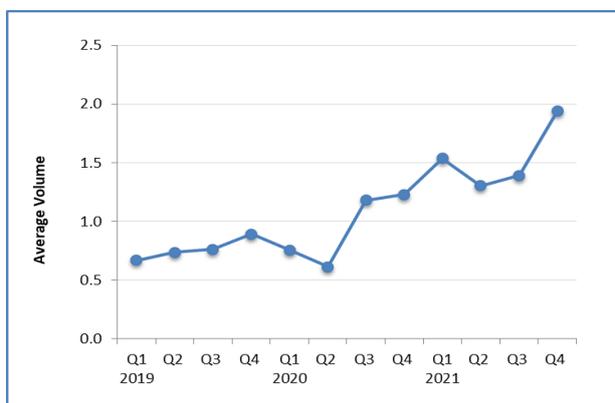


Chart 40

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

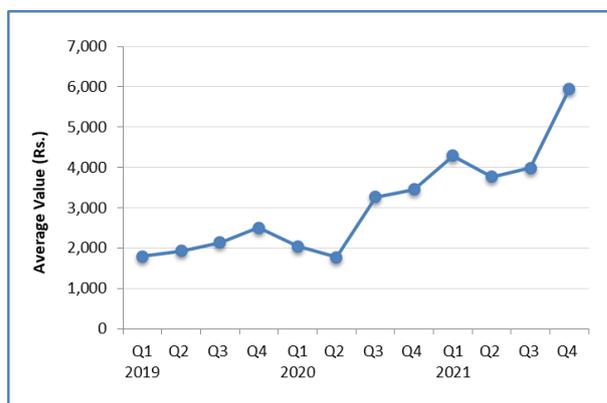


Table: 13

e-Commerce Transactions (During the period)

Description	Volume (million)			% Change Q4 21/20 (a)	Value (Rs. billion)			% Change Q4 21/20 (a)		
	2020	2021 (a)	Q4 2020		Q4 2021 (a)	2020	2021 (a)		Q4 2020	Q4 2021 (a)
e-commerce transactions	45.8	78.4	14.5	21.9	51.0	85.2	169.3	26.8	45.8	70.9
which carried out through;										
Credit Cards	10.2	17.2	3.1	4.3	38.7	39.8	80.3	12.5	20.3	62.4
Debit Cards	35.5	61.3	11.5	17.6	53.0	45.4	89.0	14.3	25.5	78.3

(a) Provisional

Source: Licensed Commercial Banks  
Licensed Specialised Banks  
Licensed Finance Companies

## 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, utility bill payments and change of Personal Identification Numbers (PIN) etc.

**Table: 14**

#### ATM Terminals

Description	2020	2021 (a)	Q4 2020	Q4 2021 (a)	% Change (a)	
					21/20	Q4 21/20
1. Number of ATM terminals in use (as at end period)	4,252(b)	4,143	4,252(b)	4,143	-2.6	-2.6
2. Total volume of financial transactions during the period (million)(c)	259.1	295.6	69.0	84.7	14.1	22.8
3. Total value of financial transactions during the period (Rs. billion)(c)	3,706.5	4,315.9	945.0(b)	1,270.0	16.4	34.4

(a) Provisional

(b) Revised

(c) Cash withdrawals at ATMs during the period

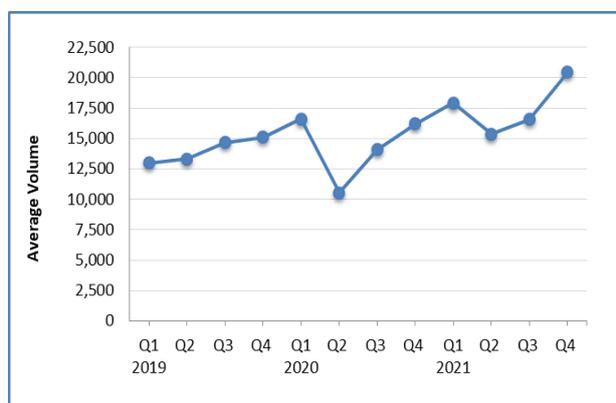
Sources: Licensed Commercial Banks

Licensed Specialised Banks

Licensed Finance Companies

**Chart  
41**

#### Average Volume of Transactions per ATM Terminal



**Chart  
42**

#### Average Value of Transactions per ATM Terminal

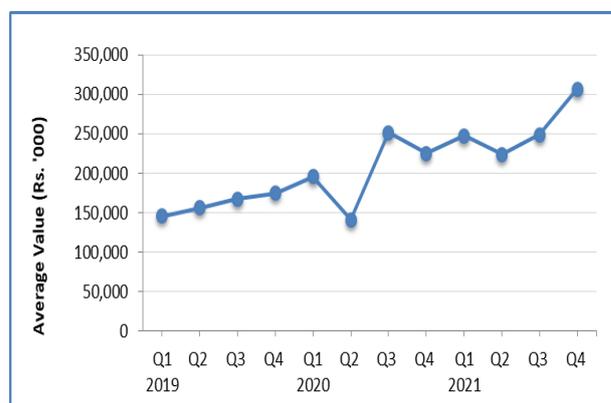


Chart 43

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

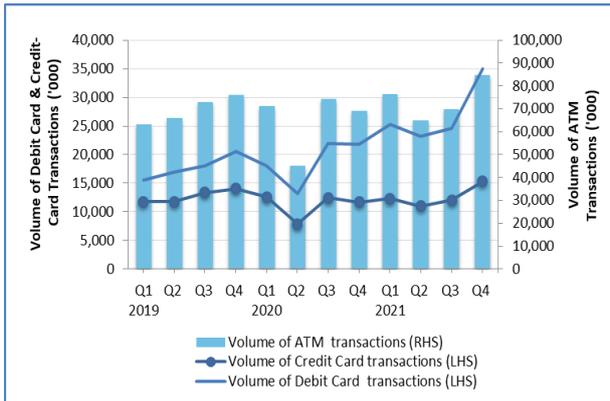
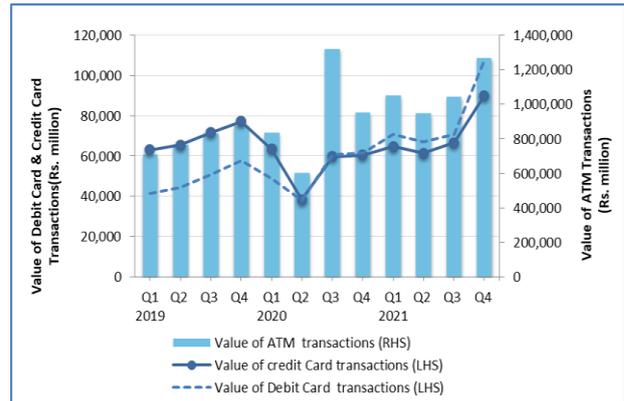


Chart 44

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.
- As at end of the fourth quarter of 2021, 10 Licensed Commercial Bank, 1 Licensed Finance Company and 1 Private Company had been licensed to function as Financial Acquirers of Payment Cards.
- 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.

Table: 15

Payments at POS Terminals

Description	2020	2021 (a)	Q4 2020	Q4 2021 (a)	% Change (a)	
					21/20	Q4 21/20
1.Number of POS terminals in use (as at end period)	87,881	96,217	87,881	96,217	9.5	9.5
2.Total volume of transactions during the period (million)	121.8	173.7	33.7	52.9	42.6	57.0
3.Total value of transactions during the period (Rs. billion)	492.3	700.7	136.2	222.8	42.3	63.6

(a) Provisional

Source: Licensed Financial Acquirers of Payment Cards

Chart 45

Average Volume of Transactions per POS Terminal

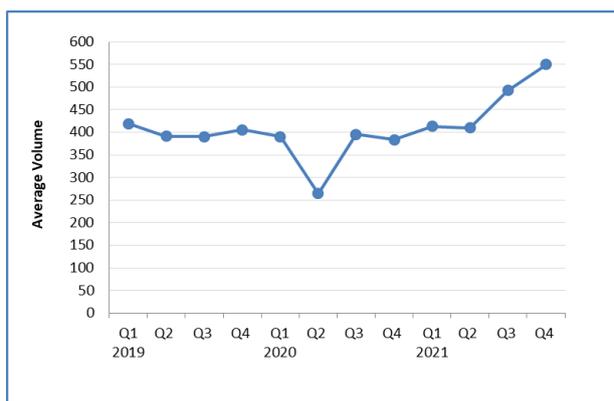
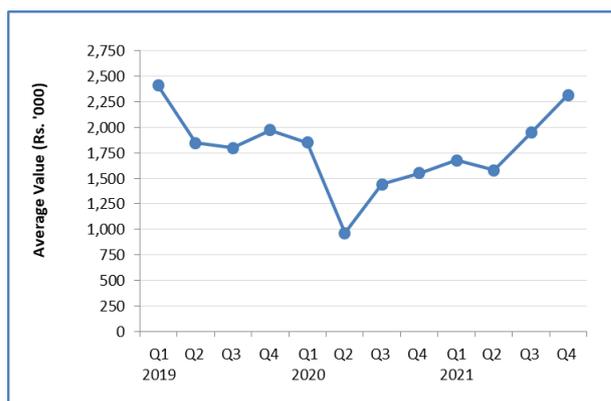


Chart 46

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 2021)

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.

Table: 16

Mobile Phone Banking

Description	Volume ('000)					Value (Rs. billion)				
	2020		2021		% Change Q4 21/20 (a)	2020		2021		% Change Q4 21/20 (a)
	(a)	(b)	(a)	(b)		(a)	(b)			
Total Transactions (during the period)	26,697	27,892	8,223	7,119	-13.4	484.6	536.8	138.2	151.1	9.3

(a) Provisional

(b) Revised

Source: Licensed Commercial Banks

[Content page](#)

## (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 was 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 2021 (in Volume Terms)

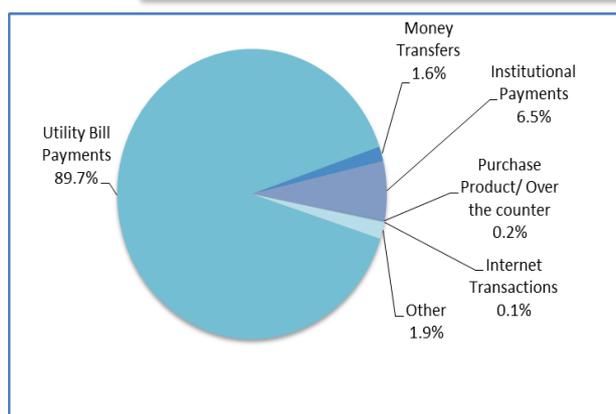
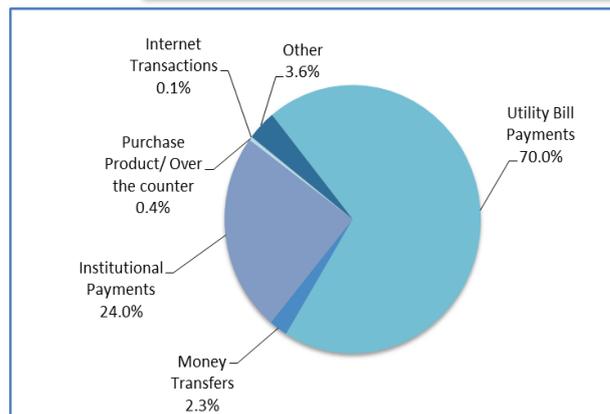


Chart 48

Composition of Mobile Phone based e-money Transactions in Q4 2021 (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 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: 17

Internet based Payment Systems

Description	Volume ('000)					Value (Rs. billion)				
	2020	2021 (a)	Q4 2020 (b)	Q4 2021 (a)	% Change Q4 21/20 (a)	2020	2021 (a)	Q4 2020 (b)	Q4 2021 (a)	% Change Q4 21/20 (a)
Total financial transactions (during the period)	57,860.7	135,386.9	18,264.4	43,567.0	138.5	4,441.6	6,469.7	1,334.3	1,963.0	47.1

(a) Provisional  
(b) Revised

Sources: Licensed Commercial Banks  
Licensed Specialised Banks  
Licensed Finance Companies

[Content page](#)

## 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: 18**

### Tele-banking

Description	2020	2021 (a)	Q4 2020 (b)	Q4 2021 (a)	% Change (a)	
					21/20	Q4 21/20
1.Total volume of financial transactions (during the period)	4,695	4,200	1,121	924	-10.5	-17.6
2.Total value of financial transactions (during the period) (Rs. million)	659.1	967.5	199.8	383.0	46.8	91.7

(a) Provisional  
(b) Revised

Sources: Licensed Commercial Banks  
Licensed Specialised Banks  
Licensed 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: 19**

### Volume and Value of Payments Made through Money Orders and Postal Orders

Description	Volume					Value (Rs. '000)				
	2020	2021 (a)	Q4 2020	Q4 2021 (a)	% Change Q4 21/20 (a)	2020	2021 (a)	Q4 2020	Q4 2021 (a)	% Change Q4 21/20 (a)
1. Ordinary Money Orders	45,266	39,504	9,831	9,164	-6.8	328,614	271,812	82,014	82,237	0.3
2. E-money Orders	541,336	525,606	148,432	152,110	2.5	4,325,996	4,677,123	1,168,857	1,375,409	17.7
3. Local Value Payment Money Orders	59,537	30,432	11,429	4,774	-58.2	106,710	66,684	23,663	11,228	-52.6
<b>Total</b>	<b>646,139</b>	<b>595,542</b>	<b>169,692</b>	<b>166,048</b>	<b>-2.1</b>	<b>4,761,320</b>	<b>5,015,619</b>	<b>1,274,534</b>	<b>1,468,874</b>	<b>15.2</b>
Total number of Post Offices (end period)	4,132	4,138	4,132	4,138	0.1					

(a) Provisional

Source: Postal Department

[Content page](#)

## 2.8 Other

- Cash Deposit Machines (CDM) / Cash Recycler Machines (CRM) etc. are also used to make 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.
- Some CDMs and CRMs are connected to Common ATM Switch

**Table: 20**

### Cash Deposit Machines (CDM) / Cash Recycler Machines (CRM)

Description	Q4 2020	Q4 2021 (a)	% Change Q4 21/20 (a)
1 No. of CDMs/CRMs in use (as at end period)	2,467 (b)	2,628	6.5

(a) Provisional  
(b) Revised

Sources: Licensed Commercial Banks  
Licensed Specialised Banks  
Licensed Finance Companies

## 2.9 Common Card and Payment Switch (CCAPS)

- 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 was launched on 23 July 2013 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.
- 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 at end of the fourth quarter 2021, LankaPay CAS consisted of 29 members [twenty (20) Licensed Commercial Banks, four (4) Licensed Specialized Banks and five (5) Licensed Finance Companies] connecting through 5,827 ATMs and CDMs/CRMs.
- The General Direction No. 01 of 2020 was issued on maximum fees of transactions effected through the LankaPay CAS.

[Content page](#)

- The maximum fee 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.)
Cards issued under any Card Scheme except the National Card Scheme		
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
Cards issued under National Card Scheme		
Fees charged from the customer by card issuer	15.00	7.50
Interchange fee charged by financial acquirer from the card issuer	20.00	10.00

**Table: 21**

**Common ATM Switch (CAS)**

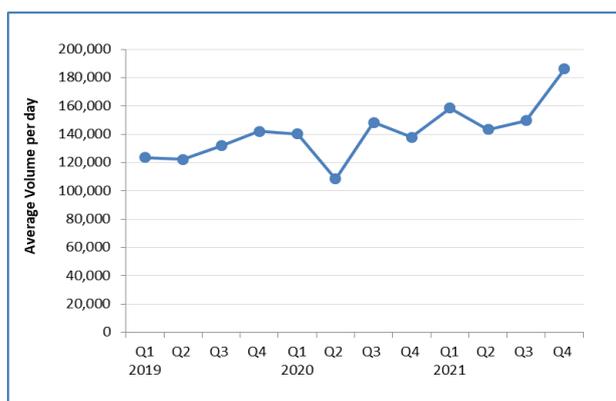
Description	2020	2021	Q4 2020	Q4 2021	% Change	
					21/20	Q4 21/20
1. Number of CAS members (as at end period)	30	29	30	29	-3.3	-3.3
2. Number of ATMs, CDMs and CRMs connected to CAS (as at end period)	5,118	5,827	5,118	5,827	13.9	13.9
3. Total volume of financial transactions ('000) (a)	48,979.7	58,210.5	12,691.8	17,118.9	18.8	34.9
4. Total value of financial transactions (Rs. million) (a)	506,901.5	670,967.2	137,957.9	200,229.0	32.4	45.1

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

Source: LankaClear (Pvt) Ltd.

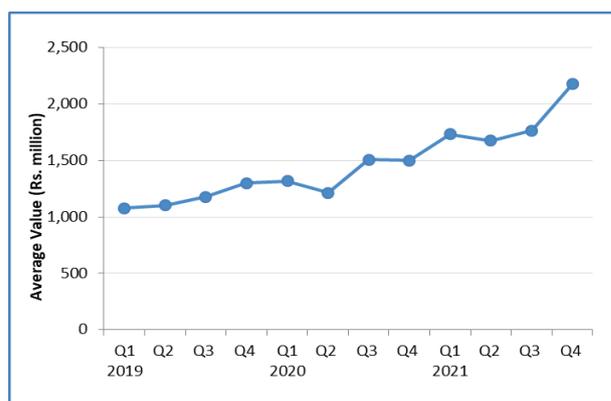
**Chart  
49**

**Average Volume of CAS Transactions per day**



**Chart  
50**

**Average Value of CAS Transactions per day**



[Content page](#)

## (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.
- As at end of the fourth quarter 2021, CEFTS consisted of forty five (45) members [twenty four (24) Licensed Commercial Banks, four (4) Licensed Specialized Banks and seventeen (17) Licensed Finance Companies].
- The General Direction No. 02 of 2014 was issued by CBSL imposing key prudential and obligatory requirements to LCPL and members of CEFTS. This was replaced by the General Direction No. 01 of 2018 on Operations of the Common Electronic Fund Transfer Switch to facilitate increasing the number of clearing cycles in CEFTS.
- 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 was facilitating real time payments to Sri Lanka Customs and as at end of the fourth quarter 2021, Sri Lanka Customs, Inland Revenue Department, Board of Investments, Sri Lanka Ports Authority, Employees' Provident Fund and Sri Lanka Standards Institution were facilitated through LPOPP.
- Maximum fee that can be charged from a customer for a CEFTS transaction is as follows:

Fund Transfer mode	Maximum Fee (per transaction) (Rs.)
Effectuated through Internet Banking, Mobile Banking, ATMs of respective CEFTS members	30.00
Effectuated through ATMs of other CEFTS members	100.00
Effectuated Over-the-Counter	100.00

- In 2017, LCPL implemented the 'JustPay' payment product to facilitate low value payments below Rs. 10,000. This limit is now Rs. 50,000 and as at end of the fourth quarter 2021, thirteen (13) licensed commercial banks, three (3) licensed specialized banks and six (6) finance companies had connected to JustPay.

**Table: 22**

### Common Electronic Fund Transfer Switch (CEFTS)

Source: LankaClear (Pvt) Ltd.

Description	2020	2021	Q4 2020	Q4 2021	% Change	
					21/20	Q4 21/20
1.Number of CEFTS members (as at end period)	41	45	41	45	9.8	9.8
2.Total volume of financial transactions ('000)	27,643.8	54,675.5	8,879.8	15,731.8	97.8	77.2
3.Total value of financial transactions (Rs. billion)	2,415.3	4,926.6	778.5	1,566.5	104.0	101.2

[Content page](#)

Chart 51

Average Volume of CEFTS Transactions per day

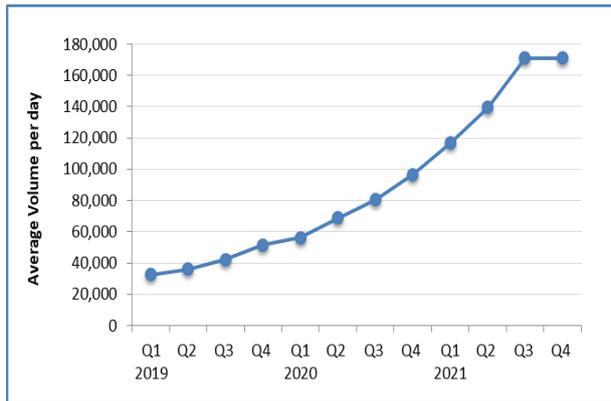
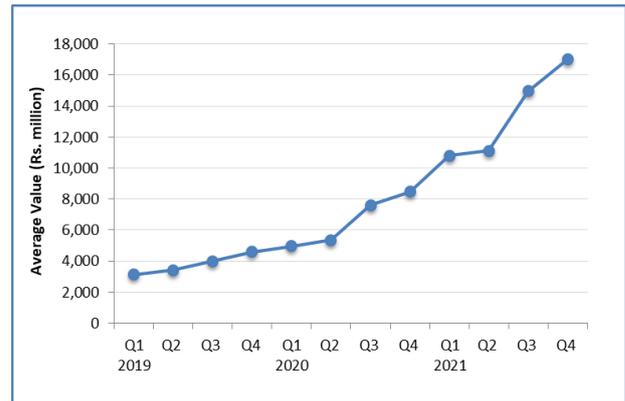


Chart 52

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.
- As at end of the fourth quarter 2021, SAS consists of one Licensed Specialized Bank and one Licensed Finance Company as the members.

### (d) Common POS Switch (CPS)

- LankaPay CPS, which was launched in June 2019, facilitates transactions carried out through Payment Cards issued under the National Card Scheme and the main function of the CPS is switching and clearing of Not-On-Us POS Transactions between LankaPay acquirers and issuers.
- As at end of fourth quarter 2021, seven (7) Licensed Commercial Banks joined CPS as primary participants.

## 2.10 LANKAQR

- Quick Response (QR) code based payment solutions provide an alternative channel for initiating and accepting payments between a customer and a merchant.
- CBSL issued a QR code standard, titled as LANKAQR Specifications, to promote customer convenience, security and ensure interoperability of different payment mechanisms and instruments through the Payment and Settlement Systems Circular No. 06 of 2018 on Establishment of a National Quick Response Code Standard for Local Currency Payments.
- LANKAQR on-us transactions (intra-bank transactions) are settled within the institution while off-us transactions (inter-bank transactions) are settled through CEFTS.
- Payment and Settlement Systems Circular No. 02 of 2019 on Establishment of a National Quick Response Code Standard for Local Payments was issued replacing the Payment and Settlement Systems Circular No. 06 of 2018.

**Table: 23**

**LANKAQR Transactions (During the Period)**

Description	Volume					Value (Rs. '000)				
	2020	2021 (a)	Q4 2020	Q4 2021 (a)	% Change Q4 21/20 (a)	2020	2021 (a)	Q4 2020	Q4 2021 (a)	% Change Q4 21/20 (a)
Total transactions	133,145	849,023	93,201	135,329	45.2	333,342	1,921,968	232,274	372,881	60.5
On-Us transactions	118,498	764,198	79,840	111,334	39.4	297,791	1,541,117	199,218	267,856	34.5
Off-Us transactions	14,647	84,825	13,361	23,995	79.6	35,551	380,850	33,056	105,026	217.7

(a) Provisional

Source: LankaClear (Pvt) Ltd  
Licensed Financial Institutions

**Table: 24**

**LANKAQR Merchants (As at end period)**

Description	Q4 2020	Q4 2021 (a)	% Change Q4 21/20 (a)
Merchants registered to LANKAQR	169,214	295,884	74.9

(a) Provisional

Source: LankaClear (Pvt) Ltd  
Licensed Financial Institutions

- 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.
- At present, ACU consists of 9 central banks/monetary authorities (Bangladesh, Bhutan, India, Iran, Nepal, Maldives, Myanmar, Pakistan and Sri Lanka).
- 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 Unit (AMU). AMU is denominated as ACU Dollar which is equivalent in value to one US Dollar.

Table: 25

ACU Transactions of Sri Lanka

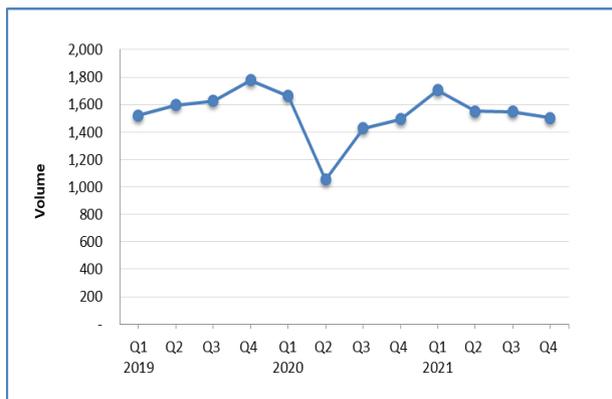
Description	2020	2021 (a)	Q4 2020	Q4 2021 (a)	% Change (a)	
					21/20 (a)	Q4 21/20 (a)
1. Number of Transactions	5,637	6,306	1,495	1,503	11.9	0.5
2. Value of Total Receipts (Rs. million)	56,790.9	65,023.0	21,814.1	18,900.9	14.5	-13.4
3. Value of Total Payments (Rs. million)(a)	421,572.2	635,712.8	115,519.4	173,413.9	50.8	50.1

(a) Revised

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

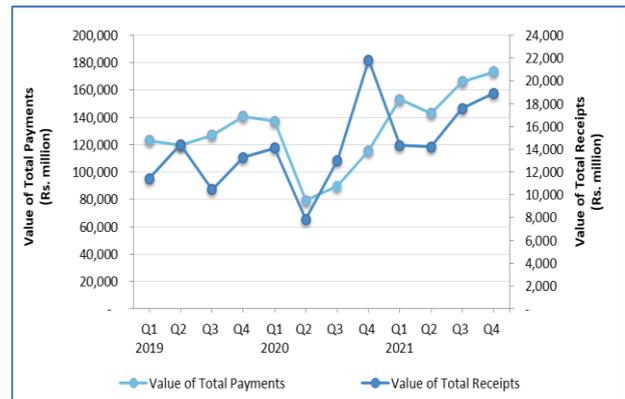
[Content page](#)

Table: 26

## Total Volume and Value of Transactions

Payment Systems/Instruments	2017	2018	2019	2020	2021 (a)
<b>Large Value Payment Systems</b>					
<b>RTGS System</b>					
Volume of transactions ('000)	377.3	405.2	427.9	397.2	449.8
Value of transactions (Rs. bn)	92,302.7	100,473.1	117,150.9	150,050.6	294,602.0
<b>Retail Value Payment Systems</b>					
<b>Main Cheque Clearing System (b)</b>					
Volume of transactions ('000)	51,963.3	50,352.2	46,801.8	33,631.5	33,021.2
Value of transactions (Rs. bn)	10,481.9	10,528.4	9,863.1	7,491.0	8,311.5
<b>Sri Lanka Interbank Payment System (SLIPS)</b>					
Volume of transactions ('000)	30,017.8	32,943.3	36,612.4	36,830.3	41,867.7
Value of transactions (Rs. bn)	1,725.0	1,972.2	2,104.2	2,256.7	2,862.2
<b>Credit Cards</b>					
No. of cards in use (g)	1,486,545	1,710,671	1,854,103	1,984,525	2,054,985
Volume of transactions ('000)	36,964.2	43,599.8	50,969.1	44,692.4	50,689.1
Value of transactions (Rs. bn)	198.5	241.8	277.2	221.8	282.6
<b>Debit Cards (e)</b>					
No. of cards in use (g)	19,702,875	22,329,928	23,068,813	17,803,673	18,069,812
Volume of transactions ('000)	46,963.8	56,595.1	71,096.2	75,093.6	108,039.7
Value of transactions (Rs. bn)	134.5	158.7	194.8	209.5	315.9
<b>ATM Terminals (f)</b>					
No. of ATM Terminals (g)	4,206	4,618	5,023	4,252	4,143
Volume of transactions ('000)	238,249.9	253,756.4	277,892.3	259,075.0	295,616.1
Value of transactions (Rs. bn)	2,395.7	2,744.8	3,187.7	3,706.5	4,315.9
<b>POS Terminals</b>					
No. of POS Terminals (g)	48,828	62,655	82,674	87,881	96,217
Volume of transactions ('000)	83,988.3	102,893.4	121,973.5	121,836.0	173,731.6
Value of transactions (Rs. bn)	432.7	538.4	605.4	492.3	700.7
<b>Mobile Phone Banking</b>					
Volume of transactions ('000)	3,799.4	8,168.0	17,424.8	26,696.7	27,892.4
Value of transactions (Rs. bn)	31.4	142.4	336.5	484.6	536.8
<b>Internet Banking</b>					
Volume of transactions ('000)	23,065.6	26,930.4	36,674.8	57,860.7	135,386.9
Value of transactions (Rs. bn)	2,100.6	2,939.3	3,875.4	4,441.6	6,469.7
<b>Tele-banking</b>					
Volume of transactions ('000)	9.3	8.3	10.5	4.7	4.2
Value of transactions (Rs. bn)	0.7	0.9	1.3	0.7	1.0
<b>Transactions cleared through CCAPS</b>					
<b>Common ATM Switch (CAS) (c)(f)</b>					
Volume of transactions ('000)	32,921.2	40,464.4	47,443.9	48,979.7	58,210.5
Value of transactions (Rs. bn)	264.1	344.6	425.2	506.9	671.0
<b>Common Electronic Fund Transfer Switch (CEFTS) (d)</b>					
Volume of transactions ('000)	3,163.4	7,233.6	14,798.8	27,643.8	54,675.5
Value of transactions (Rs. bn)	273.7	660.3	1,382.8	2,415.3	4,926.6

(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: 27

## Key Indicators

Indicator	2017	2018	2019	2020	2021 (a)
1. Currency in circulation as a percentage of GDP	4.5	4.5	4.5	5.6	6.0
2. Per capita Currency in Circulation value (Rs.)	27,889	29,577	31,095	38,086	45,365
3. Currency (held by Public) as a percentage of GDP	3.3	3.3	3.3	4.3	4.7
4. Per capita RTGS transaction value (Rs.)	4,304,362	4,636,505	5,373,156	6,845,686	13,296,716
5. RTGS transactions value as a percentage of GDP	693	703	781(d)	999(d)	1,753
6. RTGS transactions Concentration ratio (Based on the value of top five participants)	55.1	53.6	53.0	60.2	77.6
7. Per capita Cheque usage (c)	2.4	2.3	2.1	1.5	1.5
8. Per capita Cheques transaction value (Rs.)	488,804	485,851	452,371	341,758	375,135
9. Cheque transaction value as a percentage of GDP	78.6	73.7	65.8(d)	49.8(d)	49.4
10. Per capita SLIPS transaction value (Rs.)	80,444	91,010	96,508	102,956	129,183
11. SLIPS transaction value as a percentage of GDP	12.9	13.8	14.0	15.0(d)	17.0
12. Per capita Debit Card transaction value (Rs.)(e)	6,274	7,325	8,932	9,560	14,260
13. Per capita Credit Card transaction value (Rs.)	9,259	11,158	12,714	10,121	12,757
14. Per capita Internet banking transaction value (Rs.)	97,956	135,640	177,747(d)	202,636 (d)	292,007
15. Per capita Mobile banking transaction value (Rs.)	1,466	6,570	15,433(d)	22,111(d)	24,229
16. Per capita Tele banking transaction value (Rs.)	34	42	62	30	44
17. Number of POS terminals per 1,000 inhabitants	2.3	2.9	3.8	4.0	4.3
18. Number of ATM terminals per 1,000 inhabitants	0.20	0.21	0.23	0.19	0.2
19. GDP at current Market prices (Rs. billion) (b)	13,328	14,291	14,997(d)	15,027(d)	16,809
20. Mid-Year Population ('000) (b)	21,444	21,670	21,803	21,919	22,156
(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					

## 6

## Licensed Service Providers of Payment Cards and Mobile Payment Systems

Table: 28

Licensed Service Providers (As at 31 December 2021)

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			
<b>a) Licensed Commercial Banks</b>	<b>18</b>	<b>14</b>	<b>9</b>	<b>-</b>	<b>10</b>	<b>11</b>	<b>-</b>
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>(b) Licensed Specialised Banks</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>
19 National Savings Bank	√					√	
20 Sanasa Development Bank PLC	√						
21 Housing Development Finance Corporation Bank of Sri Lanka (HDFC)	√						
22 Pradeshiya Sanwardana Bank	√						

Contd...

[Content page](#)

## Licensed Service Providers of Payment Cards and Mobile Payment Systems

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			
<b>(c) Licensed Finance Companies</b>	<b>13</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
23 Central Finance Co PLC	√						
24 Citizens Development Business Finance PLC	√	√					
25 Commercial Leasing & Finance PLC	√						
26 L B Finance PLC	√						
27 LOLC Finance PLC	√	√			√		
28 Fintrex Finance Ltd	√						
29 People's Leasing & Finance PLC	√						
30 Senkadagala Finance PLC	√						
31 Singer Finance (Lanka) PLC	√	√					
32 Merchant Bank of Sri Lanka & Finance PLC	√						
33 Siyapatha Finance PLC	√						
34 LOLC Development Finance PLC	√						
35 Dialog Finance PLC	√						
<b>(d) Non-Financial Institutions</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>2</b>
36 Global Payments Asia - Pacific Lanka (Private) Limited					√		
37 Dialog Axiata PLC			√				√
38 Mobitel (Pvt) Ltd							√
<b>Total</b>	<b>35</b>	<b>17</b>	<b>10</b>	<b>-</b>	<b>12</b>	<b>12</b>	<b>2</b>

\*Customer account based Mobile Payment Systems accepts payments instructions via a mobile network connection (ex: USSD and SMS)

## 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 | Direction No. 01 of 2018 - Acquiring Payment Card based Electronic Commerce Transactions through Service Providers       |
| 06 | General Direction No. 01 of 2018 - Operations of the Common Electronic Fund Transfer Switch                              |
| 07 | General Direction No. 02 of 2018 - Operations of the Common Point-of-Sales Switch  |
| 08 | General Direction No. 01 of 2020 - Fees Chargeable on the Transactions Effected through the Common ATM 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 2020 on Minimum Compliance Standards for Payment related Mobile Applications  |

## 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              |

Contd...

[Content page](#)

### Circulars

04	Payment and Settlement Systems Circular No. 09 of 2017 - Amendment to Daily Operating Schedule of the LankaSettle System
05	Payment and Settlement Systems Circular No. 07 of 2018 – Liability Manager Limits in LankaPay Common ATM Switch and LankaPay Common Electronic Fund Transfer Switch
06	Payment and Settlement Systems Circular No. 01 of 2019 – Providing Real Time Notifications for Transactions Effected Through Electronic Payment Instruments/ Mechanisms
07	Payment and Settlement Systems Circular No. 02 of 2019 – Establishment of a National Quick Response Code Standard for Local Currency Payments
08	Payment and Settlement Systems Circular No. 06 of 2019 - Amendment to Daily Operation Schedule of the LankaSettle System
09	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
10	Payment and Settlement Systems Circular No. 13 of 2020 – Mandating Licensed Commercial Banks incorporated in Sri Lanka and Licensed Operators of Mobile Phone Based E-money Systems to join LANKAQR
11	Payment and Settlement Systems Circular No. 18 of 2020 – Revision of transaction fees of LankaSettle System and extension of cut-off time for accepting customer transactions
12	Payment and Settlement Systems Circular No. 19 of 2020 – Liability Manager (LM) Limits in LankaPay Common ATM Switch (CAS) and LankaPay Common Electronic Fund Transfer Switch (CEFTS)
13	Payment and Settlement Systems Circular No. 20 of 2020 - Maximum Limits on Transaction Value and Fees of Common Electronic Fund Transfer Switch
14	Payment and Settlement Systems Circular No.01 of 2021- Amendment to Daily Operation Schedule of the LankaSettle System

### Addendums

01	Addendum 1 – Payment and Settlement Systems Circular No. 02 of 2019 – Establishment of a National Quick Response Code Standard for Local Currency Payments
02	Addendum 2 - Payment and Settlement Systems Circular No. 02 of 2019 – Establishment of a National Quick Response Code Standard for Local Currency Payments
03	Addendum 3 - Payment and Settlement Systems Circular No. 02 of 2019 – Establishment of a National Quick Response Code Standard for Local Currency Payments
04	Addendum 4 - Payment and Settlement Systems Circular No. 02 of 2019 – Establishment of a National Quick Response Code Standard for Local Currency Payments

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	Guidelines on Business Continuity Planning to participants of the LankaSettle System were issued
	May	Cheque Imaging and Truncation (CIT) System was launched
	May	A General Direction on CIT System to LankaClear (Pvt) Ltd. and participants of the CIT System was issued
	December	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	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

Contd...

[Content page](#)

## 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	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	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	General Direction No. 01 of 2013 on the Operations of the Common ATM Switch was issued
	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	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 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	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 Payment and Settlement Systems Circular No. 01 of 2015 on the Maximum Limits on Transaction Value and fees of Common Electronic Fund Transfer Switch was issued
	September	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	Payment and Settlement Systems Circular No. 07 of 2015 on the Timelines for Joining Common Card and Payment Switch – LankaPay was issued
2016	October	LankaClear (Pvt.) Ltd. introduced an online system to transfer the cheque image from the bank to LankaClear (Pvt.) Ltd.

Contd.

[Content page](#)

## 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 <sup>rd</sup> Clearing Cycles for the fund settlement of Sri Lanka Interbank Payment System (SLIPS)
2018	January	Direction on Acquiring Payment Card based Electronic Commerce Transactions through Service Providers was issued. Guidelines on Minimum Compliance Standards for Payment related Mobile Applications were issued
	July	Issued the General Direction No. 01 of 2018 on Operations of the Common Electronic Fund Transfer Switch
	August	General Direction No. 02 of 2018 on Operations of the Common Point-of-Sales Switch was issued
	October	Issued the Payment and Settlement Systems Circular No. 06 of 2018 on Establishment of a National Quick Response Code Standard for Local Currency Payments  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 was issued
2019	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 Payment and Settlement Systems Circular No. 02 of 2019.
	November	The opening and/or maintaining e-money accounts was limited to one e-money account per individual in each mobile phone based e-money from the Payment and Settlement Systems Circular No. 08 of 2019.
2020	January	The General Direction No. 01 of 2020 – Fees Chargeable on the Transactions effected through the CAS was issued by CBSL replacing the General Direction No. 01 of 2014
	June	Payment and Settlement Systems Circular No. 16 of 2020 - Maximum Limits on Transaction Value and fees of Common Electronic Fund Transfer Switch was issued replacing the Payment and Settlement Systems Circular No. 12 of 2020  Issued the Guidelines on Minimum Compliance Standards for Payment related Mobile Applications replacing the Guideline No. 01 of 2018
	September	Payment and Settlement Systems Circular No. 18 of 2020 was issued to revise the transaction fees of LankaSettle System and to extend the cut-off time for accepting the customer transactions
	November	Liability Manager Limits in LankaPay Common Electronic Fund Transfer Switch were revised in the Payment and Settlement Systems Circular No. 19 of 2020
	December	The maximum fee charged per transaction in respect of fund transfers effected through internet banking, mobile banking and ATMs of respective CEFTS member was reduced to Rs. 30 from Rs. 50
2021	February	Maximum transaction limit was increased to Rs. 50,000 for JustPay transactions
	December	The maximum Merchant Discount Rate (MDR) for the LANKAQR transactions shall remain at 0.5% of the transaction amount until further notice.