

# Payments Bulletin

**Fourth Quarter 2022**



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

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# 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 (Q4) of 2022, currency notes and coins in circulation amounted to Rs. 1.03 trillion.

**Table: 1**

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

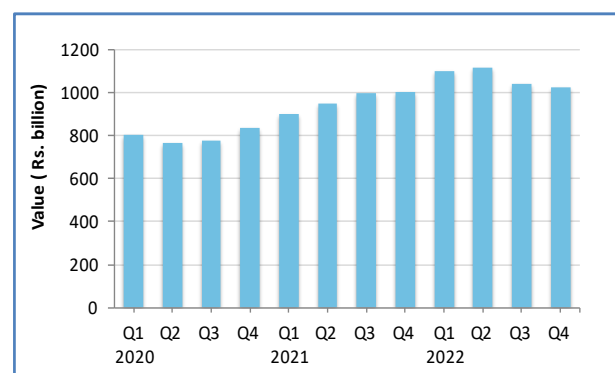
Description	Rs. billion		% Change
	2021	2022 (a)	22/21
Currency in Circulation	1,005.1	1,026.6	2.1
of which held by:			
a) Banks	220.6	284.5	29.0
b) Public	784.5	742.0	-5.4

(a) Provisional

Source: Central Bank of Sri Lanka

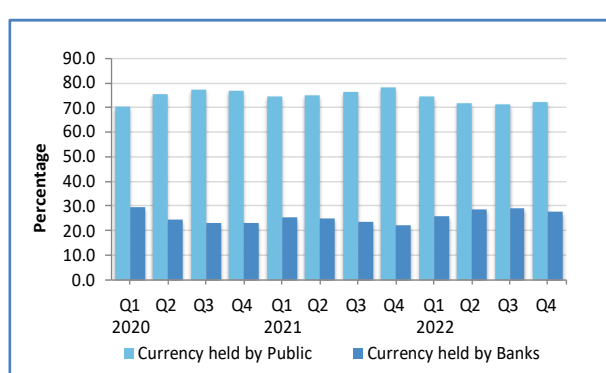
**Chart 1**

**Currency in Circulation**



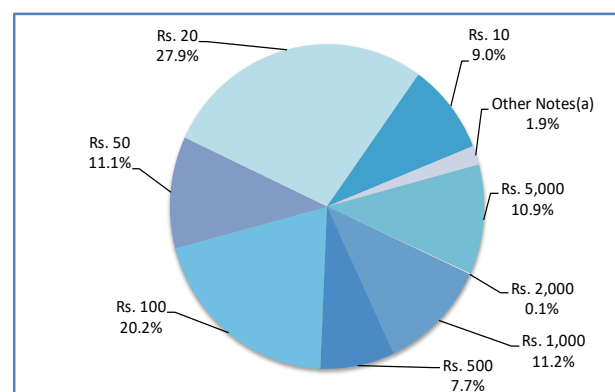
**Chart 2**

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



**Chart 3**

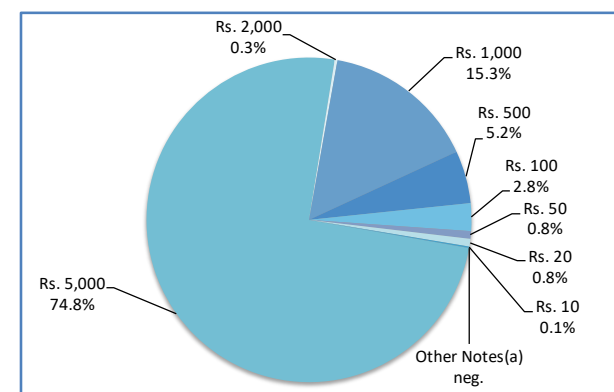
**Currency Notes in Circulation by Denominations at end Q4 2022 (in Volume Terms)**



(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 2022 (in Value Terms)**



neg. - negligible

[Content page](#)

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

### Large Value Payment System

- Real Time Gross Settlement (RTGS) System

### Retail Payment Systems, Methods and Instruments

- Cheques
- Sri Lanka Interbank Payment System (SLIPS)
- Common Electronic Fund Transfer Switch (CEFTS)
- Payment Cards
- LANKAQR
- Mobile Phone based Payment Mechanisms
- Internet based Payment Mechanisms
- Tele-Banking
- Postal Instruments

Chart 5

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

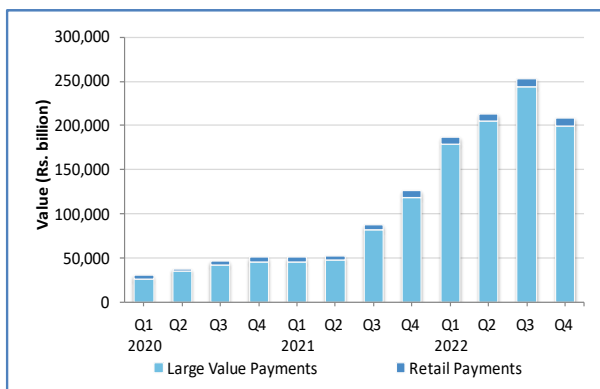
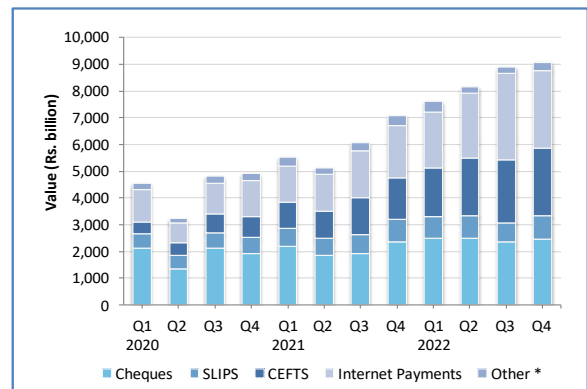


Chart 6

#### Retail Payments (in Value Terms)



\* payments by credit cards, debit cards, postal instruments, mobile banking, Tele-banking, and eMoney.

## 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.
- As at end Q4 2022, there were 35 participants in the RTGS System, i.e. CBSL, 24 Licensed Commercial Banks, 1 Licensed Specialized Bank, 7 Primary Dealer Companies, Employees' Provident Fund and the Central Depository System of the Colombo Stock Exchange.
- RTGS System is open on business days and settles payment instructions between participants from 8.00 a.m. to 4.30 p.m.
- RTGS System also provides settlement facilities for individual customer payments of participating institutions from 8.00 a.m. to 3.00 p.m.
- 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 with effect from 01 October 2020.

**Table: 2**

**Performance of RTGS System**

Description	Volume						Value (Rs. billion)					
					% Change						% Change	
	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21
Total Transactions	449,828	638,733	131,809	172,866	42.0	31.1	294,602.0	827,105.1	119,112.9	199,104.3	180.8	67.2

### Transactions by Type

Repo/Reverse Repo (a)	48,960	124,451	19,005	35,680	154.2	87.7	91,501.6	357,191.4	51,302.5	80,052.5	290.4	56.0
Intraday Liquidity Facility (ILF) (b)	39,085	112,993	13,191	35,089	189.1	166.0	99,328.2	315,531.4	42,788.6	69,817.9	217.7	63.2
Standing Deposit Facility (SDF) (c)	9,968	9,970	1,990	2,653	0.0	33.3	59,015.6	108,857.1	10,402.8	39,892.5	84.5	283.5
Inter-participant Transactions	33,610	29,881	9,898	6,747	-11.1	-31.8	24,980.1	19,117.9	8,833.9	2,585.2	-23.5	-70.7
Customer Transactions	235,864	272,977	65,621	69,832	15.7	6.4	12,896.4	15,848.1	3,812.6	3,856.4	22.9	1.1
Clearing House Transactions	80,151	85,008	21,359	21,760	6.1	1.9	6,254.4	9,220.9	1,857.0	2,506.1	47.4	35.0
Internal Fund Transfers	1	-	-	-	-100.0	-	0.3	-	-	-	-100.0	-
Other Transactions (d)	2,189	3,453	745	1,105	57.7	48.3	625.5	1,338.3	115.6	393.5	114.0	240.4

(a) Includes Standing Lending Facility (SLF), repo/reverse repo transactions between system participants including CBSL

(b) Includes ILF granted and repaid

(c) Includes SDF deposits and payments at maturity

(d) Includes Rupee Settlement of Central Bank Forex Transactions

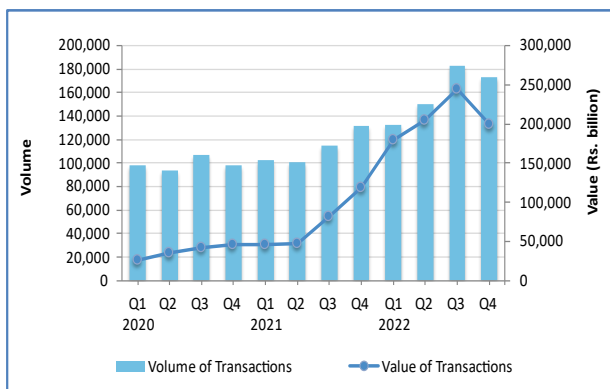
Transactions by Size	Volume						Value (Rs. billion)					
					% Share						% Share	
	2021	2022	Q4 2021	Q4 2022	2022	Q4 2022	2021	2022	Q4 2021	Q4 2022	2022	Q4 2022
Below Rs. 1 mn	83,126	88,048	21,604	22,490	13.8	13.0	18.1	19.1	4.6	4.8	neg.	neg.
Rs. 1 mn ≤ and <Rs. 100 mn	235,358	310,121	68,237	82,496	48.6	47.7	5,863.9	8,554.4	1,713.3	2,357.2	1.0	1.1
Rs. 100 mn ≤ and <Rs. 500 mn	68,113	110,869	20,071	33,192	17.4	19.3	17,243.4	29,592.2	5,173.3	9,073.3	3.6	4.6
Rs. 500 mn ≤ and <Rs. 1,000 mn	24,120	52,614	7,729	16,503	8.2	9.5	18,533.4	39,048.3	5,935.9	11,891.5	4.7	6.0
Rs. 1,000 mn and above	39,111	77,081	14,168	18,185	12.0	10.5	252,943.4	749,891.1	106,285.8	175,777.4	90.7	88.3

neg. - negligible

Source: Central Bank of Sri Lanka

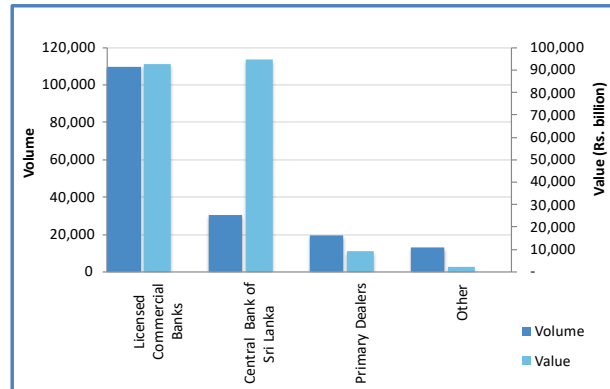
**Chart 7**

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



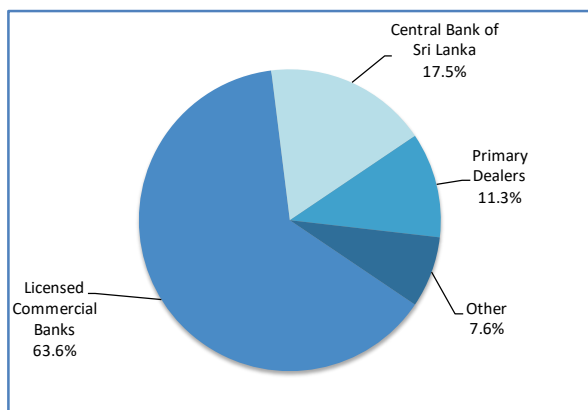
**Chart 8**

**RTGS Transactions by Type of Participants Q4 2022**



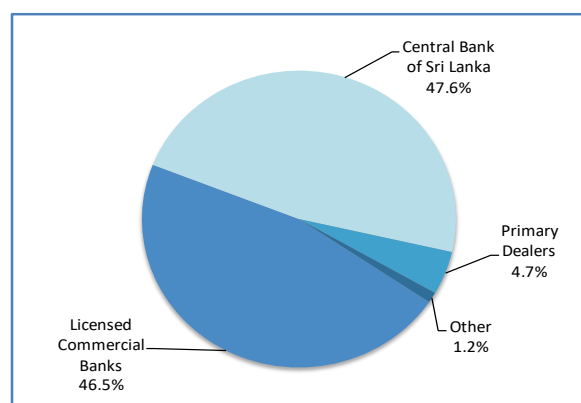
**Chart 9**

**RTGS Transactions by Type of Participants Q4 2022 (in Volume Terms)**



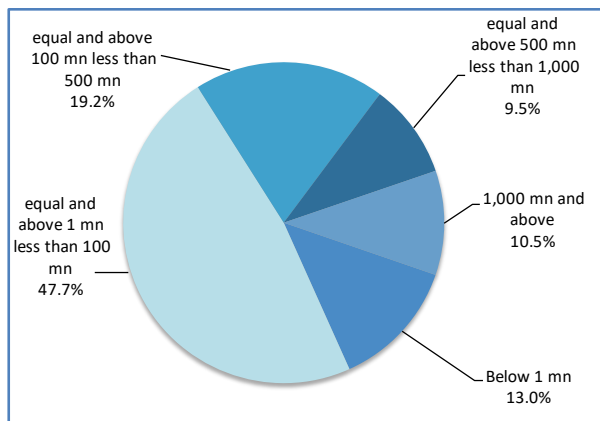
**Chart 10**

**RTGS Transactions by Type of Participants Q4 2022 (in Value Terms)**



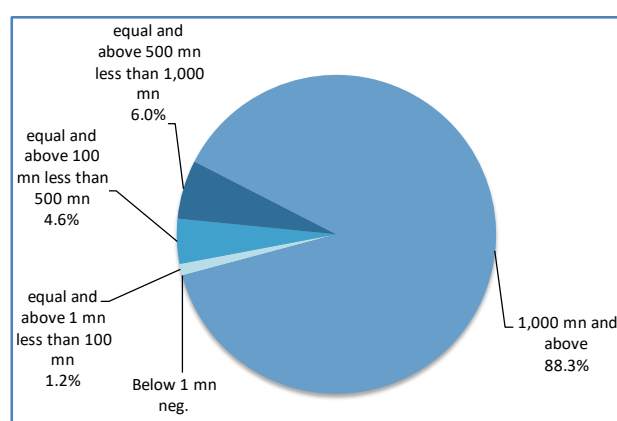
**Chart 11**

**Composition of RTGS Transactions by Size Q4 2022 (in Volume Terms)**



**Chart 12**

**Composition of RTGS Transactions by Size Q4 2022 (in Value Terms)**



neg. – negligible



Table: 3

Time Distribution of RTGS Transactions

Description	Volume						Value (Rs. billion)					
					% Share						% Share	
	2021	2022	Q4 2021	Q4 2022	2022	Q4 2022	2021	2022	Q4 2021	Q4 2022	2022	Q4 2022
Before 12.00 noon	180,953	234,531	50,761	64,431	36.7	37.3	147,951.6	386,315	59,816.3	87,739.8	46.7	44.1
After 12.00 noon	268,875	404,202	81,048	108,435	63.3	62.7	146,650.5	440,790	59,296.6	111,364.4	53.3	55.9

Source: Central Bank of Sri Lanka

Chart 13

Time Distribution of RTGS Transactions (in Volume Terms)

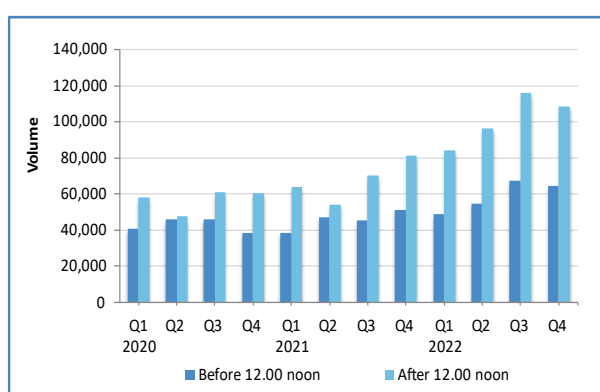
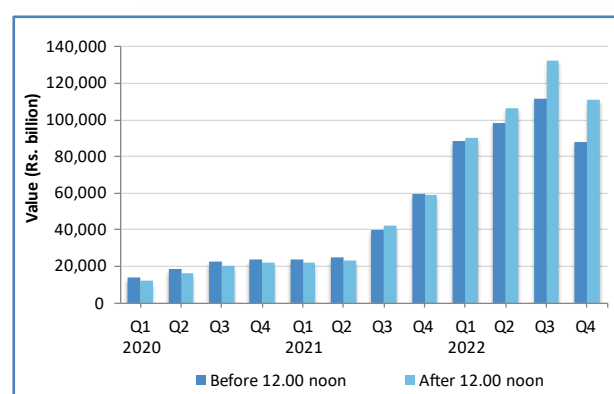


Chart 14

Time Distribution of RTGS Transactions (in Value Terms)



## 2.2 Cheques

### Sri Lanka Interbank Rupee Cheque Clearing

- At present, all LKR cheques and drafts are cleared by LankaPay (Pvt) Ltd (LPPL) (formerly LankaClear (Pvt) Ltd (LCPL)) through the Cheque Imaging and Truncation System (CITS).
- CITS 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 CITS, cheque realization time was reduced to T+1, where T is the day on which LPPL 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 CITS.
- 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 account by 2.30.p.m. on the following business day.

Table: 4

## Cheque Clearing

Description	Volume ('000)				% Change		Value (Rs. billion)				% Change	
	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21
Total Cheques Cleared*	33,021.2	33,049.6	9,057.0	8,325.0	0.1	-8.1	8,311.5	9,813.8	2,371.7	2,451.9	18.1	3.4
Average per day	137.0	137.7	146.1	138.7	0.5	-5.1	34.5	40.9	38.3	40.9	18.6	-6.8

## Cheque Clearing by Size

Below Rs. 0.1 mn	23,603.6	22,448.0	6,396.4	5,595.1	-4.9	-12.5	715.4	724.9	194.3	185.4	1.3	-4.6
Rs. 0.1mn ≤ and < Rs. 1mn	8,142.0	9,120.0	2,283.9	2,374.5	12.0	4.0	2,278.4	2,501.6	633.5	643.2	9.8	1.5
Rs.1 mn ≤ and < Rs.11mn	1,206.5	1,396.0	356.5	333.3	15.7	-6.5	2,920.0	3,552.3	856.0	876.3	21.7	2.4
Rs.11 mn ≤ and < Rs.51mn	60.4	74.8	17.7	19.4	23.8	9.6	1,293.1	1,620.2	379.8	423.2	25.3	11.4
Rs.51mn ≤ and ≤ Rs.100mn	7.0	8.9	2.1	2.0	27.1	-4.8	518.7	676.9	153.2	152.1	30.5	-0.7
Above Rs. 100 mn.	1.6	2.0	0.4	0.6	25.0	50.0	585.9	737.9	154.8	171.7	25.9	10.9

\* cheques received for clearing

Source: LankaPay (Pvt) Ltd.

Chart 15

## Average Volume of Cheques Cleared per day

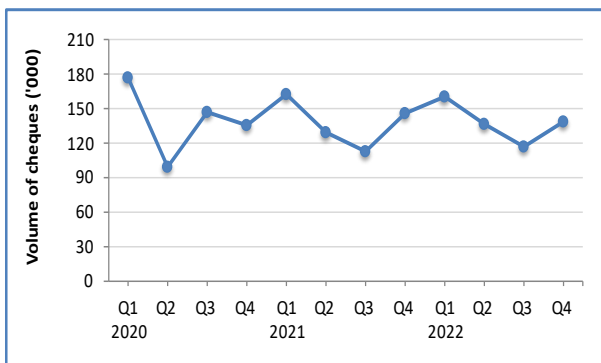


Chart 16

## Average Value of Cheques Cleared per day

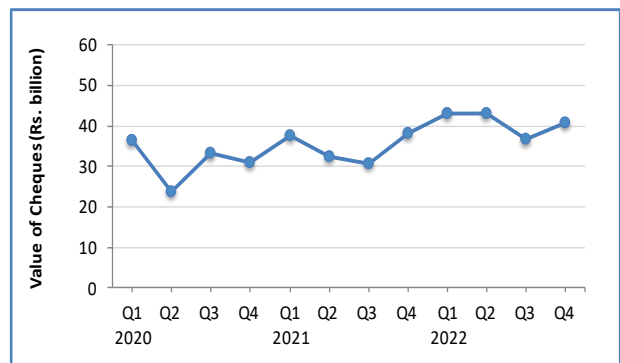


Table: 5

## Cheque Returns

Description	Volume ('000)				% Change		Value (Rs. billion)				% Change	
	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21
Total Cheques Returned	1,496.5	848.0	213.2	213.7	-43.3	0.2	220.8	212.6	42.2	58.3	-3.7	38.2

Source: LankaPay (Pvt) Ltd.

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**Table 6****Cheque Returns**

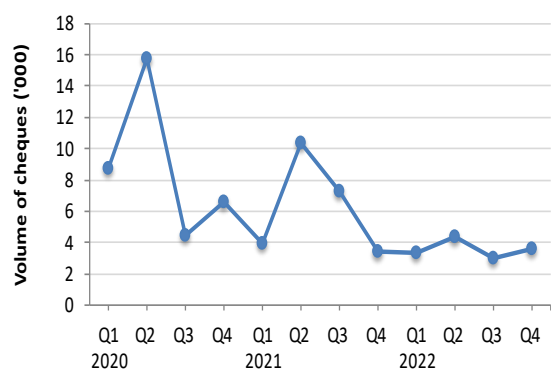
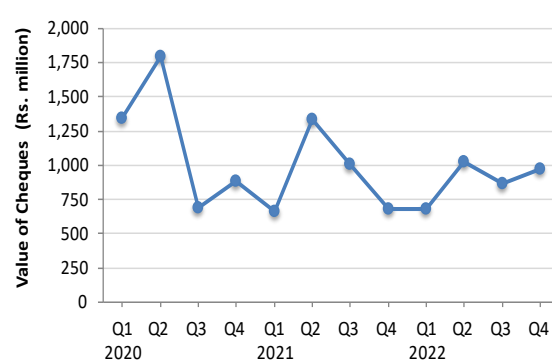
Description	2021	2022	Q4 2021	Q4 2022
Volume of Cheques Returned (as a % of total volume of cheques received for clearing)	4.5	2.6	2.4	2.6
Value of Cheques Returned (as a % of total value of cheques received for clearing)	2.7	2.2	1.8	2.4
Average Volume of Cheques Returned per day	6,210	3,533	3,439	3,561
Average Value of Cheques Returned per day (Rs. million)	916.1	886.0	680.9	971.8

Source: LankaPay (Pvt) Ltd.

**Table 7****Return Code-wise Cheque Returns  
(As a Percentage of Total Volume of Cheque Returns)**

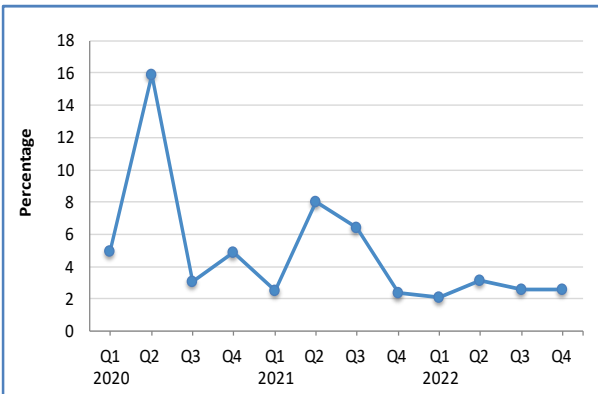
Description	2021	2022	Q4 2021	Q4 2022
Refer to Drawer	20.5	42.3	41.7	48.5
Payment Stopped by Drawer	9.8	18.8	19.1	21.2
Account Closed	5.4	8.4	8.5	8.6
Effects not Realized	0.5	0.6	0.7	0.7
Credits not Verified	50.4	9.4	6.2	0.5
Payment postponed pending drawer's confirmation	1.4	0.9	0.8	0.8
Other	12.0	19.7	23.1	19.7

Source: LankaPay (Pvt) Ltd.

**Chart 17****Average Volume of Cheques Returned per day****Chart 18****Average Value of Cheques Returned per day**[Content page](#)

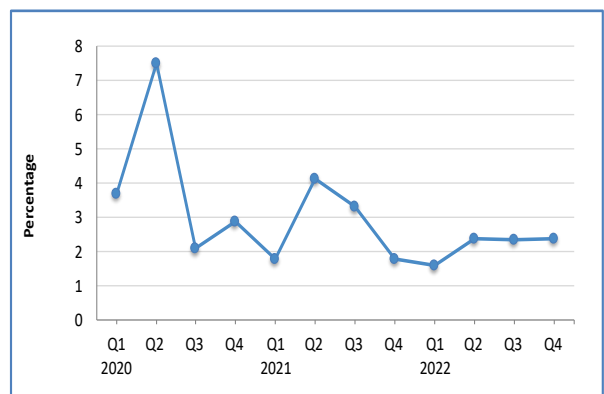
**Chart 19**

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



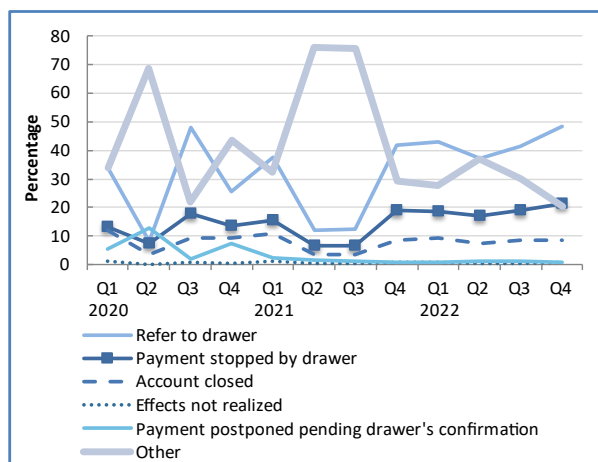
**Chart 20**

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



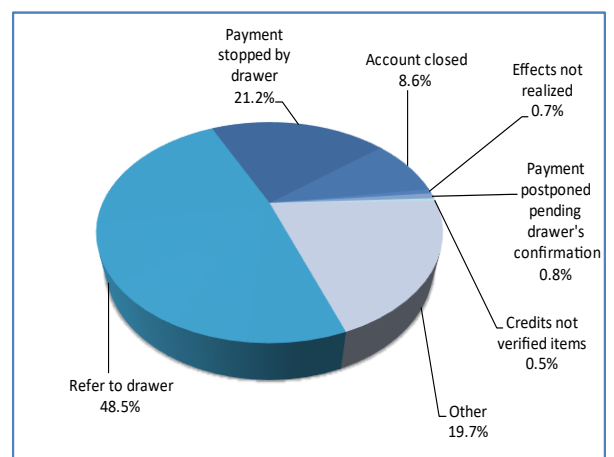
**Chart 21**

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



**Chart 22**

**Composition of Cheque Returns Q4 2022 by Return Code**



## US Dollar Cheque Clearing

- US Dollar Cheque Clearing System operated by LPPL was introduced on 1 October 2002.
- The System clears;
  - US Dollar cheques/drafts issued by commercial banks in Sri Lanka, when it can be paid to an account within Sri Lanka.
  - US Dollar cheques issued by Banks or Exchange Houses abroad drawn on commercial banks in Sri Lanka.

**Table: 8**

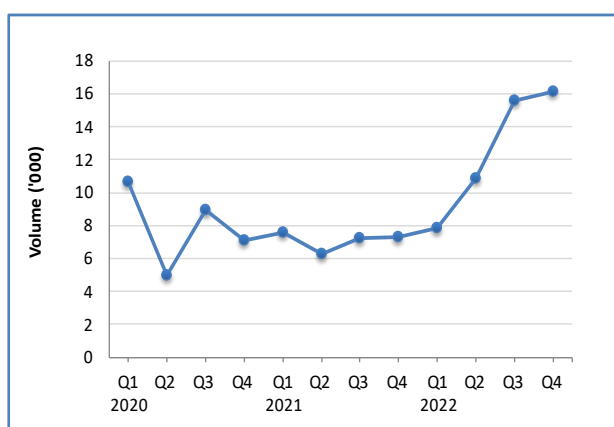
**US Dollar Cheque Clearing**

Description	Volume						Value (US Dollar million)					
						% Change						% Change
	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21
Total Cheques Cleared	28,372	50,475	7,281	16,129	77.9	121.5	252.8	433.6	70.3	118.9	71.5	69.1
Cheque Clearing per day	118	215	117	278	82.2	137.6	1.1	1.8	1.1	2.0	63.6	81.8

Source: LankaPay (Pvt) Ltd.

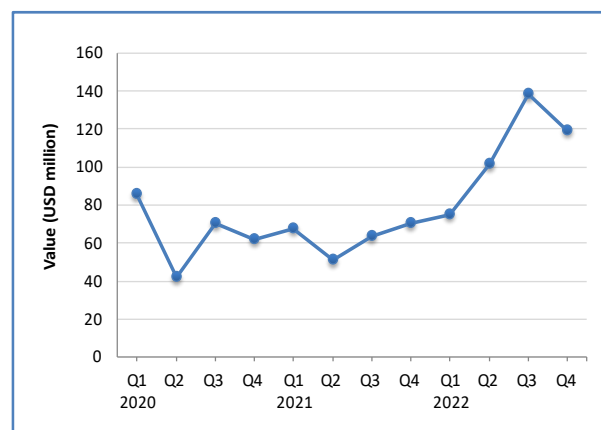
**Chart 23**

**Volume of US Dollar Cheques Cleared**



**Chart 24**

**Value of US Dollar Cheques Cleared**



## 2.3 Sri Lanka Interbank Payment System (SLIPS)

- SLIPS is operated by LPPL.
- SLIPS provides facility for settlements on T + 0 basis on each business day, for payment instructions submitted before the cut-off times specified by the respective financial institutions.
- SLIPS 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 Q4 2022, there were 45 participants in the SLIPS, i.e. CBSL and 23 Licensed Commercial Banks and 1 Licensed Specialized Bank as primary members and, 4 Licensed Specialized Banks, 15 Licensed Finance Companies and 1 Cooperative Rural Bank, as secondary members.

**Table: 9**

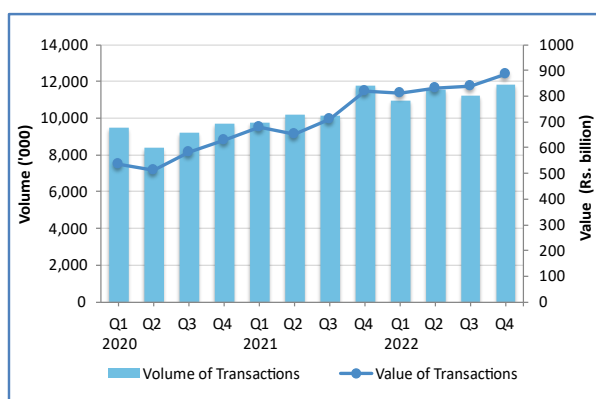
**Transaction Volumes and Values of SLIPS**

Description	Volume ('000)				% Change		Value (Rs. billion)				% Change	
	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21
Total Transactions Cleared	41,867.7	45,536.3	11,793.9	11,830.0	8.8	0.3	2,862.2	3,368.4	819.9	884.1	17.7	7.8
Average per day	173.7	189.7	190.2	197.2	9.2	3.7	11.9	14.0	13.2	14.7	17.6	11.4
<b>Transactions by Size</b>												
Less than Rs. 1 mn	41,446.7	45,052.5	11,669.4	11,703.6	8.7	0.3	1,759.0	2,106.8	495.3	559.0	19.8	12.9
Between Rs. 1 mn – 5 mn	421.1	483.9	124.5	126.5	14.9	1.6	1,103.2	1,261.6	324.5	325.2	14.4	0.2
<b>Transactions by Type</b>												
Credit transactions	41,858.7	45,527.3	11,791.8	11,827.7	8.8	0.3	2,847.5	3,350.3	816.0	879.3	17.7	7.8
Debit transactions	9.1	9.0	2.1	2.3	-1.1	9.5	14.7	18.2	3.8	4.8	23.8	26.3

Source: LankaPay (Pvt) Ltd.

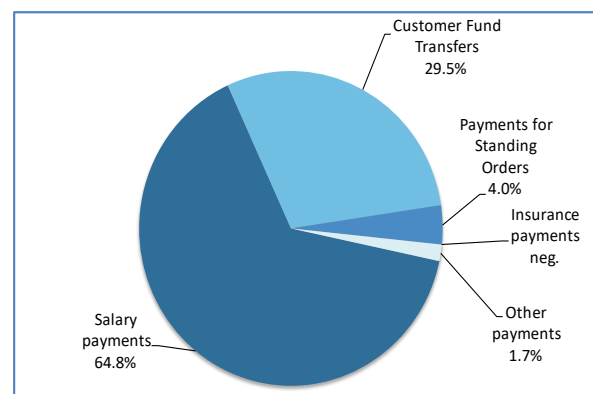
**Chart 25**

**Volume and Value of SLIPS Transactions**



**Chart 26**

**SLIPS Transactions by Transaction Category Q4 2022 (in Volume Terms)**



neg. - negligible

[Content page](#)

Chart  
27

#### Average Volume of SLIPS Transactions per day

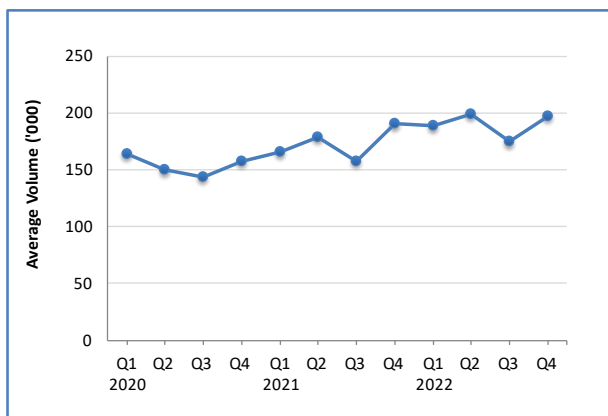
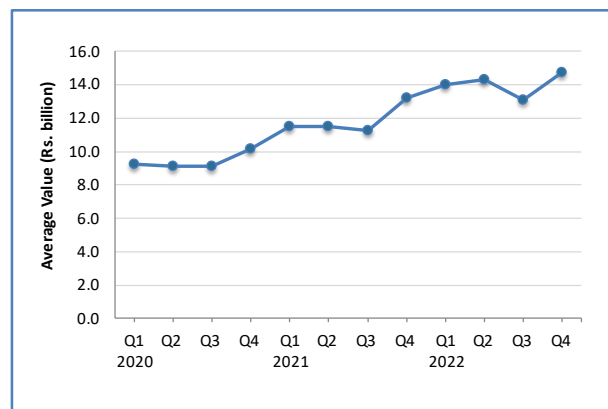


Chart  
28

#### Average Value of SLIPS Transactions per day



## 2.4 Payment Cards and Mobile Phone based Payment Mechanisms

- *Payment Cards and Mobile Phone based Payment systems are currently regulated by the Payment Cards and Mobile Payment Systems Regulations No. 1 of 2013 (Regulations) issued on 07 June 2013, which replaced the Service Providers of Payment Card Regulations No. 1 of 2009 issued in July 2009.*
- *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 end Q4 2022)*

Class of Business	Number of Service Providers
Issuers of Debit Cards	34
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 of 2022, 14 Licensed Commercial Banks and 3 Licensed Finance Companies had been licensed to engage in credit card business.

**Table: 10**

**Credit Card Transactions**

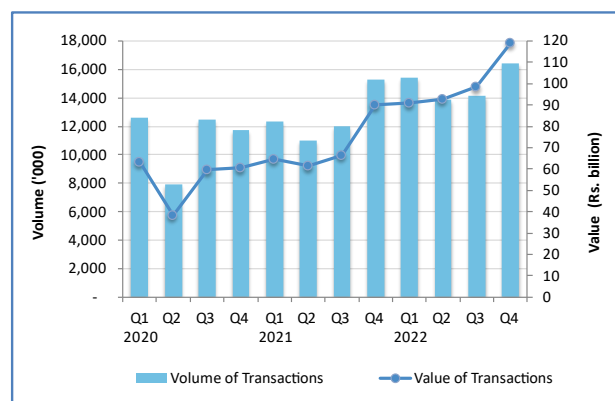
Description	2021	2022 (a)	Q4 2021	Q4 2022 (a)	% Change	
					22/21	Q4 22/21
1 Number of cards issued (during the period)	285,888	240,653	89,077	44,685	-15.8	-49.8
2 Total number of cards in use (as at end period)	2,054,985	2,054,896	2,054,985	2,054,896	neg.	neg.
3 Total volume of transactions (million)	50.7	59.8	15.3	16.4	17.9	7.2
4 Total value of transactions (Rs. billion)	282.6	401.7	89.9	119.1	42.1	32.5

(a) Provisional  
neg. – negligible

Source: Licensed Commercial Bank  
Licensed Finance Companies

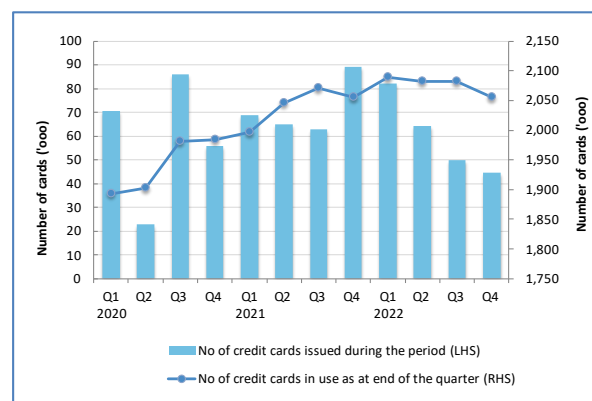
**Chart  
29**

**Credit Card Transactions**



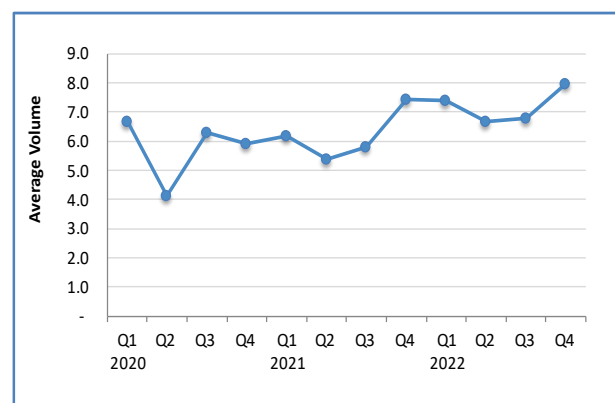
**Chart  
30**

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



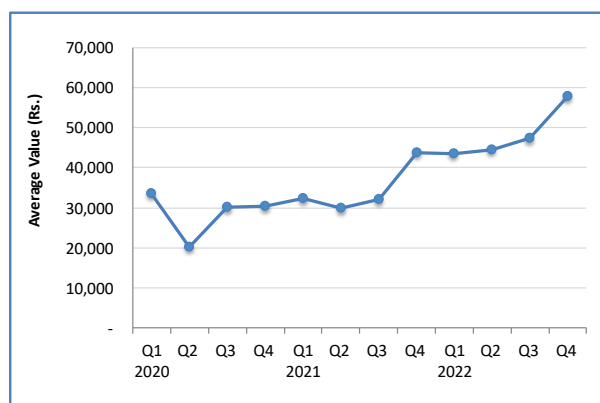
**Chart  
31**

**Average Volume of Transactions per Credit Card**



**Chart  
32**

**Average Value of Transactions per Credit Card**



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Table: 11

## Credit Cards in Default (As at end period)

Description	Number of Cards			Defaulted Transaction Value (Rs. billion)		
	2021	2022 (a)	% Change 22/21	2021	2022 (a)	% Change 22/21
Defaulted number of Credit Cards *	173,469	200,739	15.7	15.7	21.2	35.0

(a) Provisional

Source: Credit Information Bureau of Sri Lanka

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

Chart 33

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

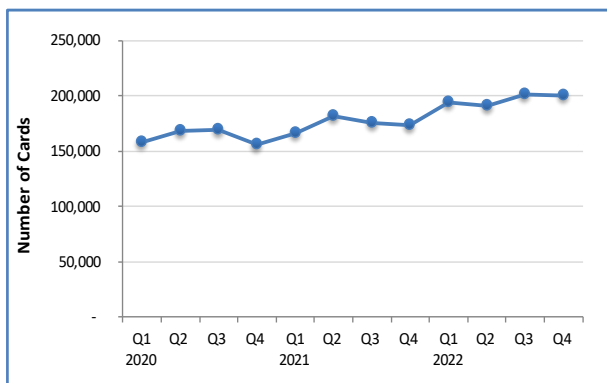
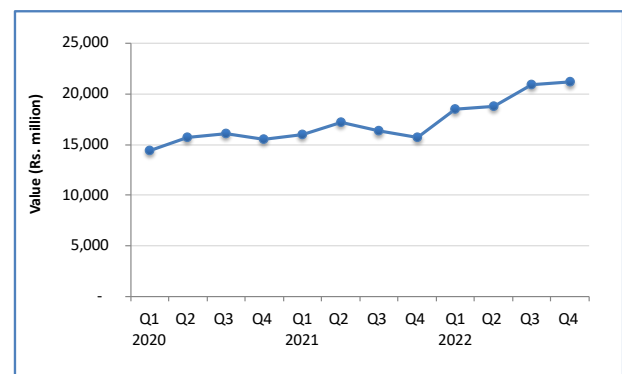


Chart 34

## 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 of 2022, 18 Licensed Commercial Banks, 4 Licensed Specialized Banks and 12 Licensed Finance Companies have been licensed for issuing debit cards.

Table: 12

## Debit Card Transactions

Description	2021	2022 (a)	Q4 2021	Q4 2022 (a)	% Change	
					22/21	Q4 22/21
1 Number of cards issued (during the period)	4,867,230	3,906,078	1,216,956	831,401	-19.7	-31.7
2 Total number of cards in use (as at end period)	18,069,812	18,753,071	18,069,812	18,753,071	3.8	3.8
3 Total volume of transactions (million) (b)	108.0	146.5	35.0	40.4	35.6	15.2
4 Total value of transactions (Rs. billion)(b)	315.9	528.9	107.6	155.0	67.7	44.0

(a) Provisional

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

Sources: Licensed Commercial Banks  
 Licensed Specialised Banks  
 Licensed Finance Companies

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Chart  
35

Debit Card Transactions  
(carried out at POS terminals)

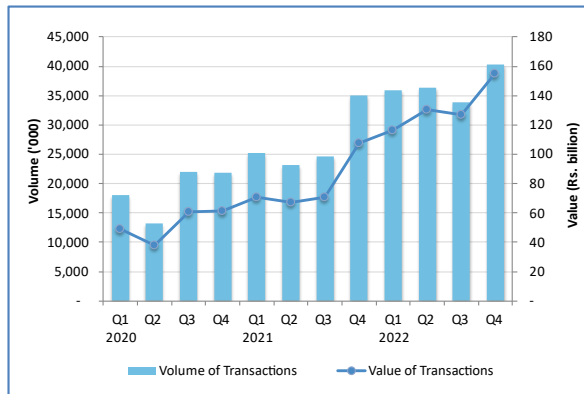


Chart  
36

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

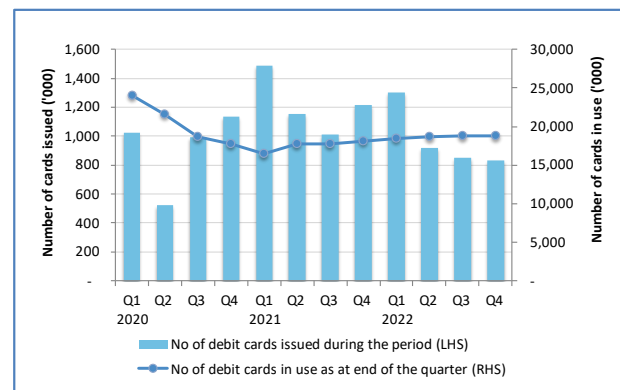


Chart  
37

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

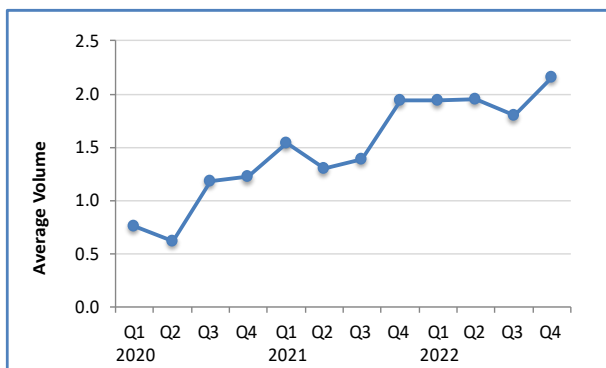


Chart  
38

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

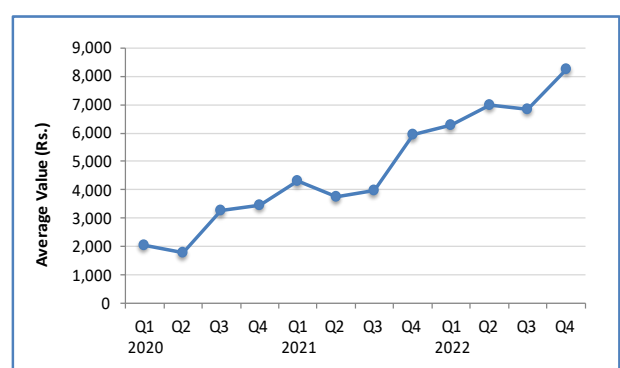


Table: 13

e-Commerce Transactions

Description	Volume (million)				% Change		Value (Rs. billion)				% Change	
	2021	2022 (a)	Q4 2021 (b)	Q4 2022 (a)	22/21	Q4 22/21	2021	2022 (a)	Q4 2021 (b)	Q4 2022 (a)	22/21	Q4 22/21
e-commerce transactions	78.5	85.4	21.9	21.9	8.8	neg.	169.3	201.3	45.8	56.3	18.9	22.9
which carried out through;												
Credit Cards	17.2	16.9	4.3	4.1	-1.7	-4.7	80.3	92.5	20.3	24.9	15.2	22.7
Debit Cards	61.3	68.5	17.6	17.8	11.7	1.1	89.0	108.8	25.5	31.4	22.2	23.1

(a) Provisional

(b) Revised

neg. - negligible

Source: Licensed Commercial Banks  
Licensed Specialised Banks  
Licensed Finance Companies

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Chart  
39

Volume of e-commerce Transactions  
(carried out through Credit and Debit  
Cards)

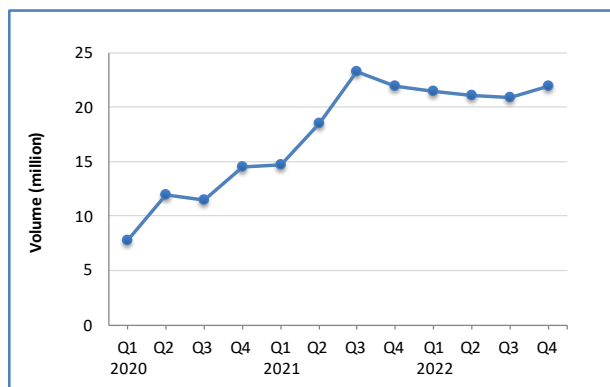
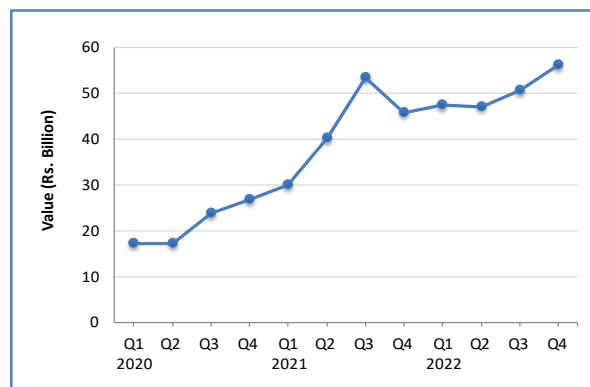


Chart  
40

Value of e-commerce Transactions  
(carried out through Credit and Debit  
Cards)



## 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	2021	2022 (a)	Q4 2021	Q4 2022 (a)	% Change (a)	
					22/21	Q4 22/21
1.Number of ATM terminals in use (as at end period)	4,142	4,026	4,142	4,026	-2.8	-2.8
2.Total volume of financial transactions during the period (million)(c)	295.6	358.7	84.7	96.3	21.3	13.7
3.Total value of financial transactions during the period (Rs. billion)(c)	4,315.8	5,721.8	1,269.9(b)	1,524.9	32.6	20.1

(a) Provisional

(b) Revised

(c) Cash withdrawals and transfers at ATMs during the period

Sources: Licensed Commercial Banks  
Licensed Specialized Banks  
Licensed Finance Companies

Chart  
41

Average Volume of Transactions per  
ATM Terminal

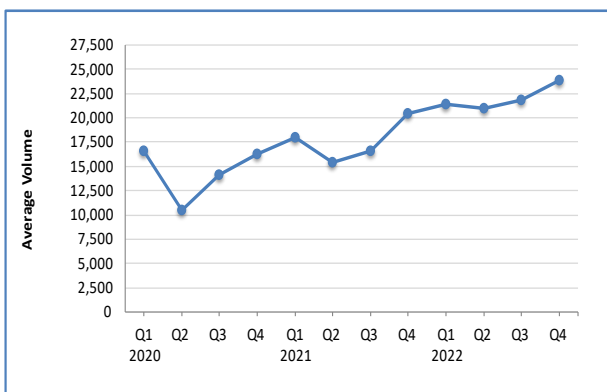


Chart  
42

Average Value of Transactions per  
ATM Terminal

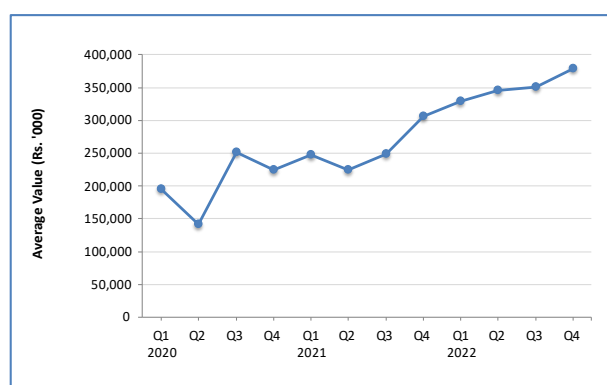


Chart  
43

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

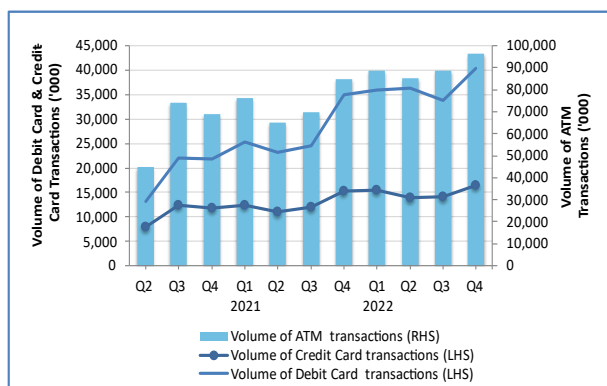
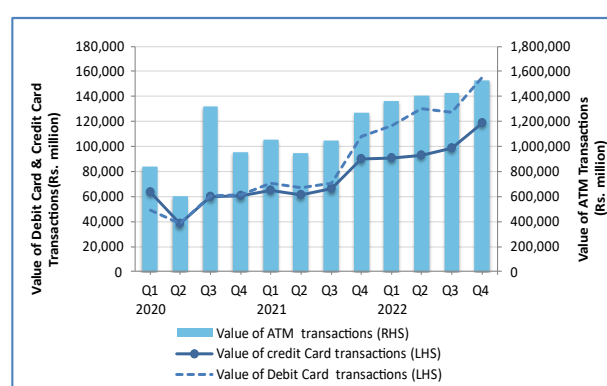


Chart  
44

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



## (b) Cash Deposit Machines /Cash Recycler Machines

- 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: 15

CDMs /CRMs (As at end period)

Description	2021	2022 (a)	% Change 22/21
1 No. of CDMs/CRMs in use	2,628	2,986	13.6

(a) Provisional

Sources: Licensed Commercial Banks  
Licensed Specialized Banks  
Licensed Finance

Companies

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## (c) 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 2022, 10 Licensed Commercial Banks, 1 Licensed Finance Company and 1 Private Company were 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.
- With the intention of protecting card holder data from unauthorized use, 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).

**Table: 16**

### Payments at POS Terminals

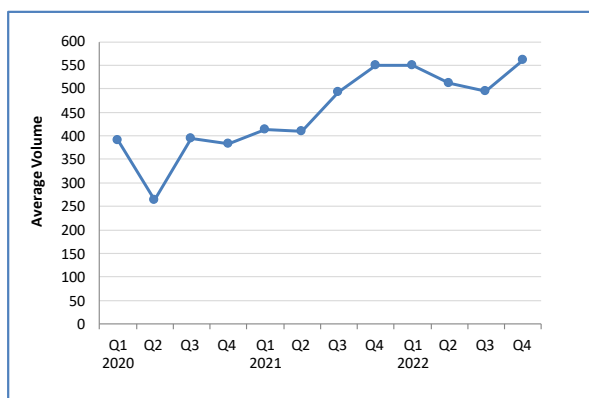
Description	2021	2022 (a)	Q4 2021	Q4 2022 (a)	% Change	
					22/21	Q4 22/21
1 Number of POS terminals in use (as at end period)	96,217	103,434	96,217	103,434	7.5	7.5
2 Total volume of transactions during the period (million)	173.7	212.4	52.9	58.0	22.3	9.6
3 Total value of transactions during the period (Rs. billion)	700.7	1,001.4	222.8	290.6	42.9	30.4

(a) Provisional

Source: Licensed Financial Acquirers of Payment Cards

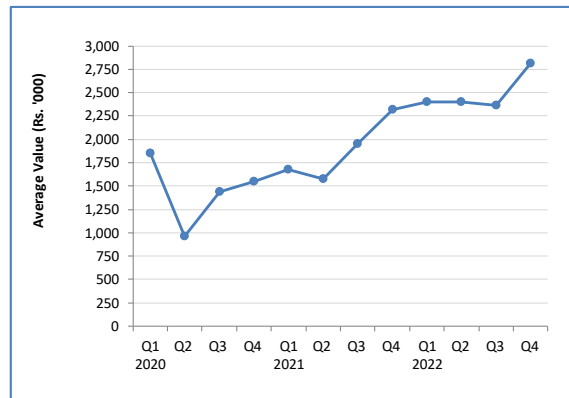
**Chart  
45**

### Average Volume of Transactions per POS Terminal



**Chart  
46**

### Average Value of Transactions per POS Terminal



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## 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 Q4 2022)

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 System means a mobile phone based payment system operated by a Licensed Commercial Bank, a Licensed Specialized Bank or a Licensed Finance Company that provides a means of access to the customer account maintained with them by providing payment instructions via USSD or SMS.

### (b) Mobile Phone based e-money Systems

- Mobile phone-based e-money systems issue monetary value upon receipt of funds and store them electronically in a wallet for the purpose of using them as a means of payment or to settle financial obligations.
- The Mobile Payments Guidelines No. 2 of 2011 was issued to streamline the custodian account-based mobile payment services.
- Currently, there are two mobile network operators who have obtained licences in June 2012 and November 2013 from CBSL to operate mobile phone-based e-money systems.

Chart  
47

Composition of Mobile Phone based e-money Transactions in Q4 2022  
(in Volume Terms)

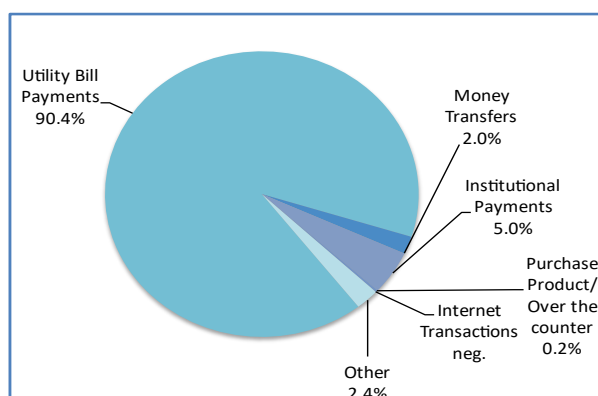
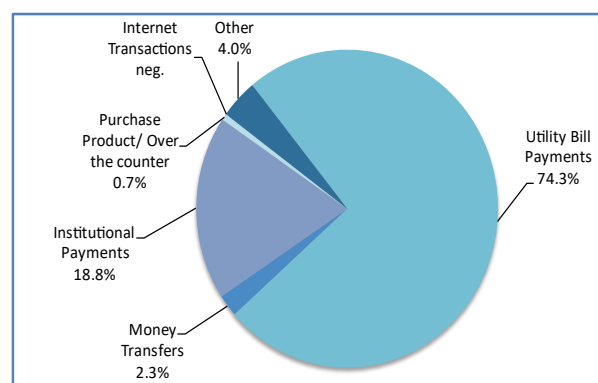


Chart  
48

Composition of Mobile Phone based e-money Transactions in Q4 2022  
(in Value Terms)



Source: Operators of Mobile Phone based e-money Systems

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## 2.5 Internet based Payment Systems

- Internet based payment systems allow bank customers to access banking services through Internet via web-based applications and mobile applications.
- Internet based payment systems of financial institutions provide services such as account information, applying or subscribing for financial products/services, performing own account/ third party fund transfers and paying utility bills.

**Table: 17**

**Internet based Payment Systems**

Description	Volume (million)				% Change		Value (Rs. billion)				% Change	
	2021	2022 (a)	Q4 2021 (b)	Q4 2022 (a)	22/21	Q4 22/21	2021	2022 (a)	Q4 2021 (b)	Q4 2022 (a)	22/21	Q4 22/21
Total financial transactions (during the period)	135.4	187.2	43.6	51.2	38.3	17.4	6,469.7	10,596.4	1,963.0	2,875.1	63.8	46.5

(a) Provisional

(b) Revised

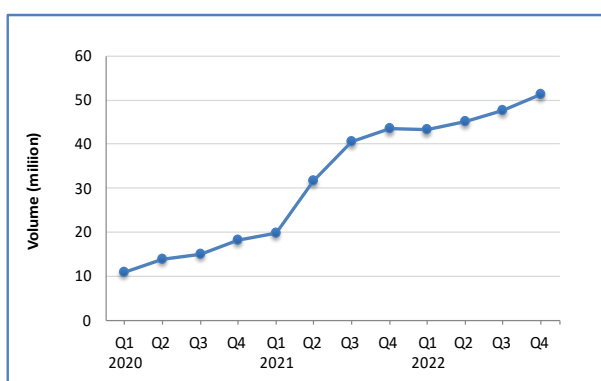
Sources: Licensed Commercial Banks

Licensed Specialized Banks

Licensed Finance Companies

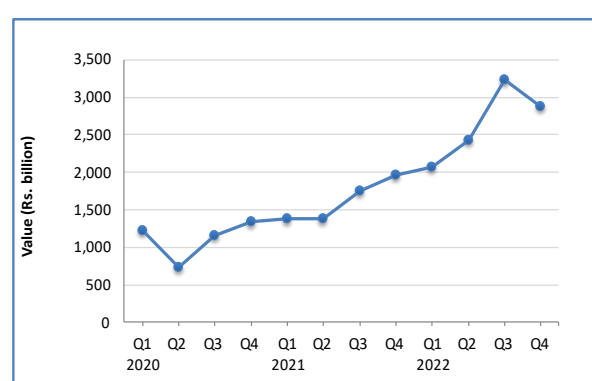
**Chart 49**

**Volume of Internet based Payments**



**Chart 50**

**Value of Internet based Payments**



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## 2.6 Tele-banking

- Tele-banking enables customers to obtain certain banking services via 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	2021	2022 (a)	Q4 2021	Q4 2022 (a)	% Change	
					22/21	Q4 22/21
1. Total volume of financial transactions (during the period)	4,200	3,633	924	888	-13.5	-3.9
2. Total value of financial transactions (during the period) (Rs. million)	967.5	1083.6	383.0	153.5	12.0	-59.9

(a) Provisional

Sources: Licensed Commercial Banks  
Licensed Specialized 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. 50,000.
- A person can buy a money order at a post office and payee stated in the money order can receive the cash on demand through a post office.

**Table: 19**

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

Description	Volume				% Change		Value (Rs. million)				% Change	
	2021	2022 (a)	Q4 2021	Q4 2022 (a)	22/21	Q4 22/21	2021	2022 (a)	Q4 2021	Q4 2022 (a)	22/21	Q4 22/21
1. Ordinary Money Orders	39,504	35,676	9,164	9,052	-9.7	-1.2	271.8	332.8	82.2	63.9	22.4	-22.2
2. E-money Orders	525,606	539,026	152,110	148,851	2.6	-2.5	4,677.1	5,573.4	1,375.4	1,700.5	19.2	23.6
3. Local Value Payment Money Orders	30,432	15,738	4,774	3,554	-48.3	-25.6	66.7	44.1	11.2	15.5	-33.9	38.0
4. Other	-	26,465	-	4,221	-	-	0.0	3,436.7	0.0	1,072.3	-	-
<b>Total</b>	595,542	616,905	166,048	165,678	3.6	-0.2	5,015.6	9,387.0	1,468.9	2,852.3	87.2	94.2
Total number of Post Offices (end period)	4,138	4,135	4,138	4,135	-0.1	-0.1						

Source: Postal Department

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## 2.8 Common Card and Payment Switch (CCAPS)

- CCAPS, operated by LPPL, was set up in order to establish a national platform for retail digital payments in the country.
- CCAPS has been designated as the national payment switch in Sri Lanka and LPPL 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 LPPL and members of CAS. This was replaced by the General Direction 02 of 2022 in order for Licensed Specialized Banks to obtain Primary membership in CAS.
- As at end of the fourth quarter of 2022, LankaPay CAS consisted of 30 members [twenty (20) Licensed Commercial Banks, four (4) Licensed Specialized Banks and six (6) Licensed Finance Companies] connecting through 5,849 ATMs and CDMs/CRMs.
- The General Direction No. 01 of 2020 was issued on maximum fees of transactions effected through the LankaPay CAS.
- 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: 20

## Common ATM Switch (CAS)

Description	2021	2022	Q4 2021	Q4 2022	% Change	
					22/21	Q4 22/21
1. Number of CAS members (as at end period)	29	30	29	30	3.4	3.4
2. Number of ATMs, CRMs and CDMs connected to CAS (as at end period)	5,827	5,849	5,827	5,849	0.4	0.4
3. Total volume of financial transactions ('000) (a)	58,210.5	84,141.2	17,118.9	23,724.9	44.5	38.6
4. Total value of financial transactions (Rs. billion) (a)	671.0	1,012.9	200.2	282.8	51.0	41.3

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

Source: LankaPay (Pvt) Ltd.

Chart 51

## Average Volume of CAS Transactions per day

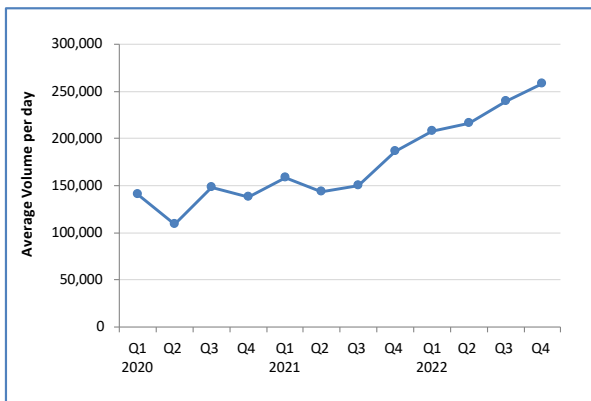
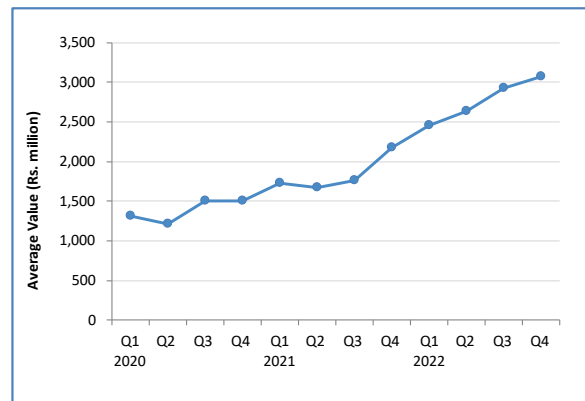


Chart 52

## Average Value of CAS Transactions per day

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## (b) Common Electronic Fund Transfer Switch (CEFTS)

- LankaPay CEFTS, the second phase of CCAPS, which provides 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 of 2022, CEFTS consisted of forty-eight (48) members [twenty-four (24) Licensed Commercial Banks, four (4) Licensed Specialized Banks and twenty (20) Licensed Finance Companies].
- The General Direction No. 02 of 2014 was issued by CBSL imposing key prudential and obligatory requirements to LPPL 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. In order for Licensed Specialized Banks to obtain primary membership in CEFTS, the General Direction No. 03 of 2022 was issued replacing the General Direction No. 01 of 2018.
- 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	30.00
Effected through ATMs of other CEFTS members	100.00
Effected Over-the-Counter	100.00

- Other Payment mechanisms based on CEFTS.
  - i. LankaPay Online Payment Platform (LPOPP) was launched on 20 July 2017, in order to facilitate online real time payments to Government Institutions through CEFTS.
  - ii. As at end of the fourth quarter of 2022, LPOPP facilitated real time payments to Sri Lanka Customs, Inland Revenue Department, Board of Investments, Sri Lanka Ports Authority, Employees' Provident Fund, Import and Export Control Department and Sri Lanka Standards Institution.
  - iii. In 2017, LPPL implemented the 'JustPay' to enable customers to connect their bank accounts to any JustPay enabled third party mobile app and make payments and top up mobile app wallets in real time via the CEFTS infrastructure.
  - iv. The maximum limit of a JustPay transaction was increased to Rs. 50,000 from Rs. 10,000 in 2021.
  - v. As at end of the fourth quarter of 2022, there were thirteen (13) Licensed commercial banks, four (4) Licensed specialized banks and seven (7) Licensed finance companies with JustPay connected 28 mobile apps.
  - vi. In 2018, CBSL introduced 'LANKAQR', an interoperable National QR code standard and facilitated the settlement of LANKAQR off-us transactions through CEFTS on a real time basis (see section 2.9).

Table: 21

## Common Electronic Fund Transfer Switch (CEFTS)

Description	2021	2022	Q4 2021	Q4 2022	% Change	
					22/21	Q4 22/21
1. Number of CEFTS members (as at end period)	45	48	45	48	6.7	6.7
2. Total volume of financial transactions ('000)	54,675.5	91,782.0	15,731.8	28,126.5	67.9	78.8
3. Total value of financial transactions (Rs. billion)	4,926.6	8,881.3	1,566.5	2,543.0	80.3	62.3

Source: LankaPay (Pvt) Ltd.

Chart 53

## Average Volume of CEFTS Transactions per day

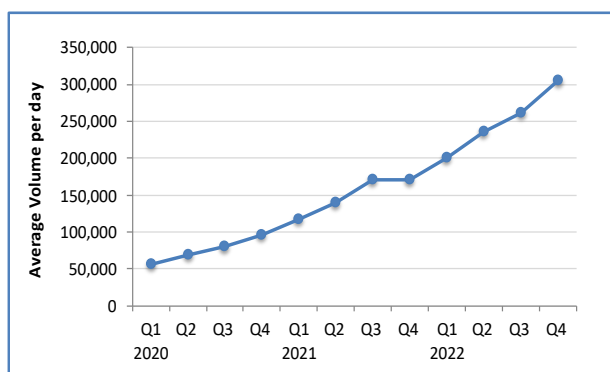
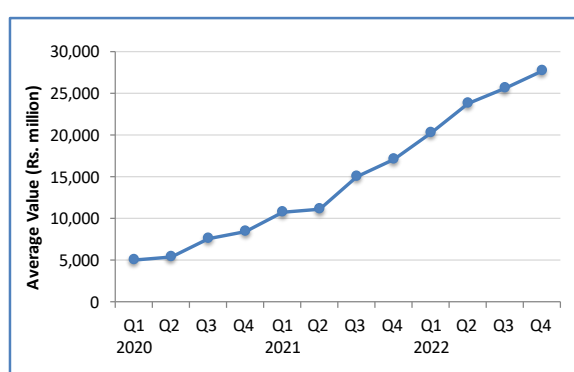


Chart 54

## 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 of 2022, SAS consists of one Licensed Specialized Bank and two Licensed Finance Companies as members.

## (d) Common POS Switch (CPS)

- LankaPay CPS, which was launched in June 2019, facilitates transactions carried out through 'LankaPay' Payment Cards issued under the National Card Scheme (NCS) and the main function of the CPS is switching and clearing of Not-On-Us POS Transactions between LankaPay card acquirers and issuers.
- As at end of fourth quarter of 2022, eight (8) Licensed Commercial Banks, one (1) Licensed Specialized Bank and one (1) Private company joined CPS as primary participants.

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## 2.9 LANKAQR

- Quick Response (QR) code-based payment solutions enable customer to make payments by scanning QR code of the merchant.
- CBSL issued an EMV 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 enabled apps which are linked to a bank account, or a payment card can be used to make fund transfers to the merchant in real time.
- LANKAQR on-us transactions (intra-bank transactions) are settled within the institution while off-us transactions (inter-bank transactions) are settled through CEFTS.
- The Merchant Discount Rate (MDR) for LANKAQR transactions is 0.5% and the maximum transaction limit is Rs. 200,000.00. There are two types of LANKAQR codes namely static and dynamic.

**Table: 22**

**LANKAQR Transactions and merchants**

Description	Volume ('000)				% Change		Value (Rs. million)				% Change	
	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21	2021	2022	Q4 2021	Q4 2022	22/21	Q4 22/21
	(a)	(b)	(b)	(a)				(a)	(b)	(a)		
Total transactions	848.9	599.5	135.3	194.6	-29.4	43.8	1,921.7	1,975.2	372.8	613.1	2.8	64.5
On-Us transactions	764.0	421.3	111.3	134.7	-44.9	20.9	1,540.8	1,215.0	267.8	361.3	-21.1	34.9
Off-Us transactions	84.8	178.2	24.0	60.0	110.1	150.0	380.9	760.2	105.0	251.8	99.6	139.8

(a) Provisional

(b) Revised

Source: LankaPay (Pvt) Ltd

Licensed Financial Institutions

**Table: 23**

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

Description	2021	2022	% Change
	(a)	(b)	22/21
			(a)
Merchants registered to LANKAQR (b)	296,085	350,031	18.2

(a) Revised

(b) Provisional

Source: LankaPay (Pvt) Ltd

Licensed Financial Institutions

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- 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 the 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 net 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: 24

ACU Transactions of Sri Lanka

Description	2021	2022 (a)	Q4 2021 (a)	Q4 2022 (b)	% Change	
					22/21	Q4 22/21
1. Number of Transactions	6,307	3,301	1,503	21	-47.7	-98.6
2. Value of Total Receipts (Rs. billion)	66.2	53.8	18.9	0.5	-18.7	-97.6
3. Value of Total Payments (Rs. billion)(a)	648.1	515.4	173.4	0.2	-20.5	-99.9

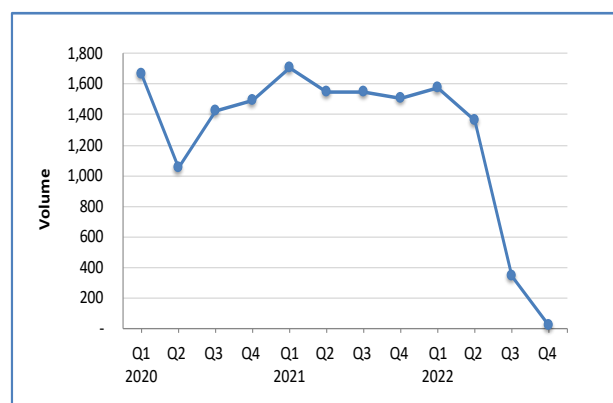
(a) Revised

Source: Central Bank of Sri Lanka

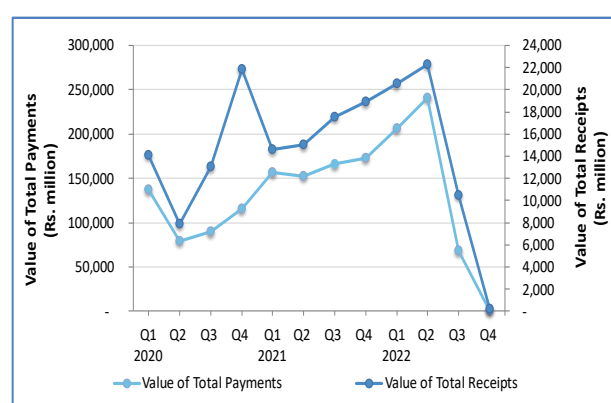
(b) Provisional

Chart  
55

Total Volume of ACU Transactions of Sri Lanka

Chart  
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Value of Total Receipts and Payments through ACU of Sri Lanka



**Note:** With effect from 14 October 2022, banks were instructed by the CBSL to settle their trade transactions with ACU member countries outside the ACU mechanism until further notice.

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Table: 25

Performance of the Payment Systems/Instruments

Payment Systems/Instruments	2018	2019	2020	2021	2022 (a)
<b>Large Value Payment Systems</b>					
<b>RTGS System</b>					
Volume of transactions ('000)	405.2	427.9	397.2	449.8	638.7
Value of transactions (Rs. bn)	100,473.1	117,150.9	150,050.6	294,602.0	827,105.1
<b>Retail Value Payment Systems</b>					
<b>Main Cheque Clearing System (b)</b>					
Volume of transactions ('000)	50,352.2	46,801.8	33,631.5	33,021.2	33,049.6
Value of transactions (Rs. bn)	10,528.4	9,863.1	7,491.0	8,311.5	9,813.8
<b>Sri Lanka Interbank Payment System (SLIPS)</b>					
Volume of transactions ('000)	32,943.3	36,612.4	36,830.3	41,867.7	45,536.4
Value of transactions (Rs. bn)	1,972.2	2,104.2	2,256.7	2,862.2	3,368.4
<b>Credit Cards</b>					
No. of cards in use (g)	1,710,671	1,854,103	1,984,525	2,054,985	2,054,896
Volume of transactions ('000)	43,599.8	50,969.1	44,692.4	50,689.1	59,843.5
Value of transactions (Rs. bn)	241.8	277.2	221.8	282.6	401.7
<b>Debit Cards (e)</b>					
No. of cards in use (g)	22,329,928	23,068,813	17,803,673	18,069,812	18,753,071
Volume of transactions ('000)	56,595.1	71,096.2	75,093.6	108,039.7	146,478.9
Value of transactions (Rs. bn)	158.7	194.8	209.5	315.9	528.9
<b>ATM Terminals (f)</b>					
No. of ATM Terminals (g)	4,618	5,023	4,252	4,142	4,026
Volume of transactions ('000)	253,756.4	277,892.3	259,075.0	295,611.6	358,691.9
Value of transactions (Rs. bn)	2,744.8	3,187.7	3,706.5	4,315.8	5,721.7
<b>POS Terminals</b>					
No. of POS Terminals (g)	62,655	82,674	87,881	96,217	103,434
Volume of transactions ('000)	102,893.4	121,973.5	121,836.0	173,731.6	212,371.5
Value of transactions (Rs. bn)	538.4	605.4	492.3	700.7	1,001.4
<b>Internet based Payments</b>					
Volume of transactions ('000)	26,930.4	36,674.8	57,860.7	135,386.9	187,146.7
Value of transactions (Rs. bn)	2,939.3	3,875.4	4,441.6	6,469.7	10,596.4
<b>Tele-banking</b>					
Volume of transactions ('000)	8.3	10.5	4.7	4.2	3.6
Value of transactions (Rs. bn)	0.9	1.3	0.7	1.0	1.1
<b>LANKAQR</b>					
Volume of transactions ('000)			133.1	848.9	599.5
Value of transactions (Rs. bn)			0.3	1.9	2.0
<b>Transactions cleared through CCAPS</b>					
<b>Common ATM Switch (CAS) (c)(f)</b>					
Volume of transactions ('000)	40,464.4	47,443.9	48,979.7	58,210.5	84,141.2
Value of transactions (Rs. bn)	344.6	425.2	506.9	671.0	1,012.9
<b>Common Electronic Fund Transfer Switch (CEFTS) (d)</b>					
Volume of transactions ('000)	7,233.6	14,798.8	27,643.8	54,675.5	91,782.0
Value of transactions (Rs. bn)	660.3	1,382.8	2,415.3	4,926.6	8,881.3

(a) Provisional

(b) Total cheques cleared through LPPL

(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	2018	2019	2020	2021	2022 (a)
1. Currency in circulation as a percentage of GDP	4.2(d)	4.3(d)	5.3(d)	5.7(d)	4.3
2. Per capita Currency in Circulation value (Rs.)	29,577	31,095	38,086	45,365	46,281
3. Currency (held by Public) as a percentage of GDP	3.1(d)	3.1(d)	4.1(d)	4.5(d)	3.1
4. Per capita RTGS transaction value (Rs.)	4,636,505	5,373,156	6,845,686	13,296,716	37,288,900
5. RTGS transactions value as a percentage of GDP	654(d)	736(d)	957(d)	1,674(d)	3,425
6. RTGS transactions Concentration ratio (Based on the value of top five participants)	53.6	53.0	60.2	77.6	85.1
7. Per capita Cheque usage (c)	2.3	2.1	1.5	1.5	1.5
8. Per capita Cheques transaction value (Rs.)	485,851	452,371	341,758	375,135	442,442
9. Cheque transaction value as a percentage of GDP	68.6(d)	62.0(d)	47.8(d)	47.2(d)	40.6
10. Per capita SLIPS transaction value (Rs.)	91,010	96,508	102,956	129,183	151,861
11. SLIPS transaction value as a percentage of GDP	12.8(d)	13.2(d)	14.4(d)	16.3(d)	13.9
12. CEFTS transaction value as a percentage of GDP (includes CEFTS, LPOPP, LANKAQR and JustPay transactions)	4.3	8.7	15.4	28.0	36.8
13. Per capita Debit Card transaction value (Rs.) (e)	7,325	8,932	9,560	14,260	23,846
14. Per capita Credit Card transaction value (Rs.)	11,158	12,714	10,121	12,757	18,110
15. Per capita Internet based payment value (Rs.)	135,640	177,747	202,636	292,007	477,723
16. Per capita Tele banking transaction value (Rs.)	42	62	30	44	49
17. Number of POS terminals per 1,000 inhabitants	2.9	3.8	4.0	4.3	4.7
18. Number of ATM terminals per 1,000 inhabitants	0.21	0.23	0.19	0.19	0.18
19. GDP at current Market prices (Rs. billion) (b)	15,352(d)	15,911(d)	15,672(d)	17,600(d)	24,148
20. Mid-Year Population ('000) (b)	21,670	21,803	21,919	22,156	22,181
(a) Provisional (b) Based on the summary indicators, 2022, Department of Census and Statistics, Sri Lanka (c) Total cheques cleared through LPPL (d) Revised (e) Transactions carried out at POS terminals					

Table: 27

Licensed Service Providers (As at end Q4 2022)

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	✓						

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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 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>12</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 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 Merchant Bank of Sri Lanka & Finance PLC	√						
32 Siyapatha Finance PLC	√						
33 LOLC Development Finance PLC	√						
34 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>
35 Global Payments Asia - Pacific Lanka (Private) Limited					√		
36 Dialog Axiata PLC			√				√
37 Mobitel (Pvt) Ltd							√
<b>Total</b>	<b>34</b>	<b>17</b>	<b>10</b>	<b>-</b>	<b>12</b>	<b>12</b>	<b>2</b>

\*Customer account based Mobile Payment Systems and Mobile Phone based e-money Systems accept payment instructions via a mobile network connection (eg: USSD and SMS)

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## 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. 03 of 2013 - Service Norms and Standard Times for Accepting Cheque Deposits and Crediting Proceeds |
| 03 | Direction No. 01 of 2018 - Acquiring Payment Card based Electronic Commerce Transactions through Service Providers       |
| 04 | General Direction No. 01 of 2020 - Fees Chargeable on the Transactions Effected through the Common ATM Switch            |
| 05 | General Direction No. 01 of 2022 - Sri Lanka Interbank Payment System (SLIPS)  |
| 06 | General Direction No. 02 of 2022 - Operations of the Common ATM Switch   |
| 07 | General Direction No. 03 of 2022 - Operations of the Common Electronic Fund Transfer Switch                              |
| 08 | General Direction No. 04 of 2022 - 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 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              |

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## Regulatory Framework of Payment and Settlement Systems in Sri Lanka

### 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. 20 of 2020 - Maximum Limits on Transaction Value and Fees of Common Electronic Fund Transfer Switch
13	Payment and Settlement Systems Circular No.01 of 2021- Amendment to Daily Operation Schedule of the LankaSettle System
14	Payment and Settlement Systems Circular No. 03 of 2022 – Liability Manager (LM) Limits in LankaPay Common ATM Switch (CAS) and LankaPay Common Electronic Fund Transfer Switch (CEFTS)

### 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 was launched
2004	February	LankaSecure, the Scripless Securities Settlement System (SSSS) and Scripless Securities Depository System (SSDS) 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 System (CITS) was launched
	May	A General Direction on CITS to LankaClear (Pvt) Ltd. and participants of the CITS 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
	December	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 CITS.
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	Commenced licensing of service providers of payment cards under the Regulations No. 1 of 2009
	September	SLIP System was upgraded to an online 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.
	December	Issued the General Direction No. 03 of 2013 - Service Norms and Standard Times for Accepting Cheque Deposits and Crediting Cheque Proceeds replacing the General Direction No.1/2007 issued in December 2007
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 third 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.

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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 <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 to remain at 0.5% of the transaction amount until further notice
2022	February	CBSL granted the LankaSettle participant status to a Licensed Specialized Bank.
	June	Liability Manager Limits in LankaPay Common ATM Switch (CAS) and LankaPay Common Electronic Fund Transfer Switch (CEFTS) were revised in the Payment and Settlement Systems Circular No. 03 of 2022 in order to include the Licensed Specialized Bank who obtained the Primary membership in CAS and CEFTS

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<b>Cheque realization</b>	Transfer of cash obtained via cheque from the bank on which a cheque is drawn to the bank in which it was deposited.
<b>Clearing house transactions</b>	Transactions which are submitted by the clearing house (LPPL) to settle on multilateral net basis in the RTGS system, these transactions are relevant to the final settlements of the retail level payment systems operated by the clearing house.
<b>Customer transactions</b>	Multiple or single customer credit transactions in the RTGS system.
<b>Internal Fund Transfers</b>	Transfers initiated by the Central Bank on behalf of the participants on their request.
<b>Intra-day Liquidity Facility (ILF)</b>	An intra-day interest free collateralised funding facility provided to participating institutions by the Central Bank to facilitate smooth operations of the RTGS System.
<b>Participating Institutions (for the purpose of SDF and SLF)</b>	All Licensed Commercial Banks (LCBs), Standalone Primary Dealers (the companies appointed as Primary dealers except LCBs) and Employees Provident Fund (EPF).
<b>Repurchase Transactions (Repo)</b>	Transactions under repurchase agreements by which one party agrees to sell Scripless Securities to another on an undertaking to buy back such securities on an agreed date on agreed terms.
<b>Standing Deposit Facility (SDF)</b>	A facility provided for participating institutions to deposit any excess funds at the Central Bank at the end of the day.
<b>Standing Lending Facility (SLF)</b>	A collateralized facility provided for participating institutions to fulfill any further shortage of the liquidity requirements from the Central Bank at the end of the day.