

Payments Bulletin

Fourth Quarter 2023



Payments and Settlements Department
Central Bank of Sri Lanka

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Section 7(e) of the Central Bank of Sri Lanka Act, No. 16 of 2023 empowers the Central Bank of Sri Lanka (CBSL) to administer, supervise, and regulate payment systems, ensuring their safety, effectiveness, and efficiency. Further, section 59 of the Act gives the authority to CBSL to establish and operate systems for transfer of funds, settle payment obligations and issue system rules to participating institutions. In addition, under the Section 4 of the Payment and Settlement Systems Act, No. 28 of 2005, CBSL acts as the authority responsible for the formulation of national payment system plan. Moreover, CBSL is entrusted with the pivotal task of offering guidance and fostering leadership in the establishment and advancement of payment, clearing, and settlement systems across Sri Lanka. Under this mandate, CBSL is committed to facilitate various aspects, including the harmonious interaction between its clearing and settlement systems and other interconnected systems, the exploration of innovative payment methods and technologies and the promotion of collaboration among all stakeholders in the continuous evolution of payment systems and the provision of payment services.

This report provides statistics and up-to-date information related to payment systems, methods and service providers authorized to operate in Sri Lanka. The information presented in this bulletin is collected from the payment systems and various stakeholders involved in the payment ecosystem. Further, this bulletin aims to offer a source for analyzing the efficiency and growth of the country's payment infrastructure allowing readers to understand the overall payment landscape of Sri Lanka.

2

Currency in Circulation

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 2023, currency notes and coins in circulation amounted to Rs. 1.19 trillion.

Table: 1 Currency in Circulation (As at end period)

Description	Rs. billion		% change 23/22
	2022	2023 (a)	
Currency in Circulation	1,026.5	1,186.5	15.6
of which held by:			
a) Banks	284.5	286.4	0.7
b) Public	742.0	900.1	21.3

(a) Provisional

Source: Central Bank of Sri Lanka

Chart 1

Currency in Circulation (As at end period)

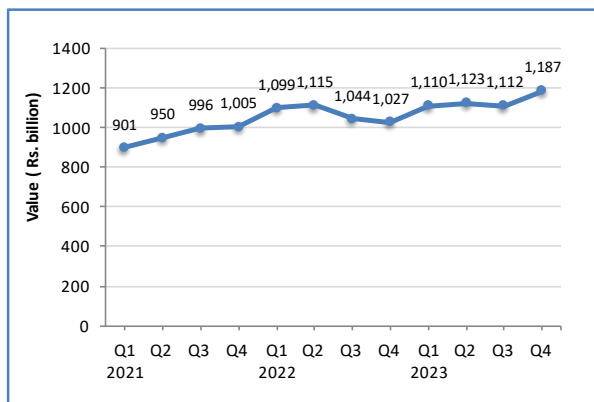


Chart 2

Share of Currency held by Public and Currency held by Banks

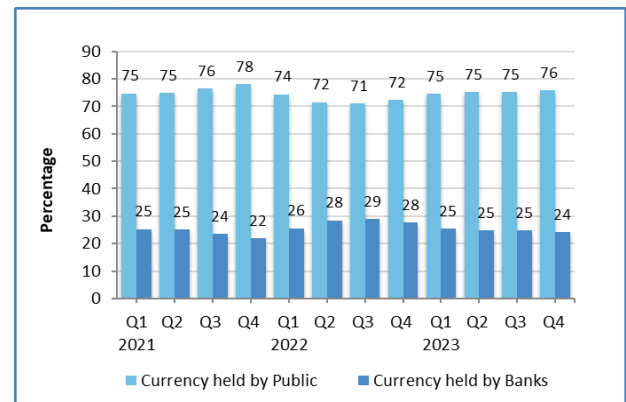
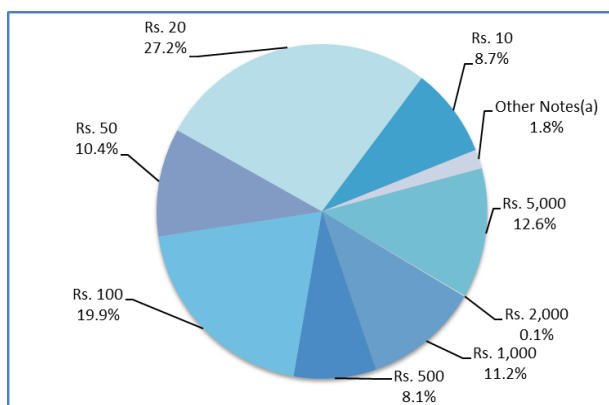


Chart 3

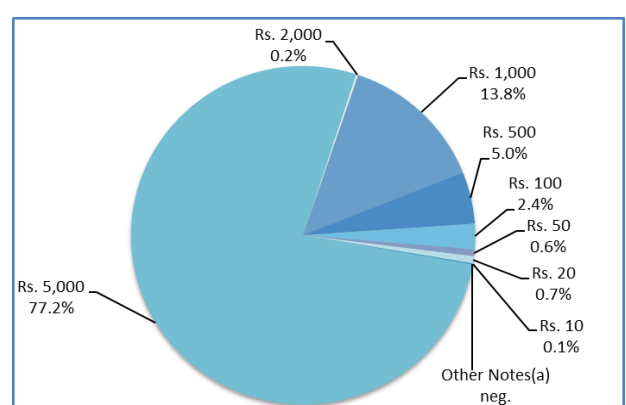
Currency Notes in Circulation by Denominations as at end of Q4 2023 (in Volume Terms)



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

Chart 4

Currency Notes in Circulation by Denominations as at end of Q4 2023 (in Value Terms)



neg. - negligible

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3

Non-Cash Payments

- Non-cash payments are facilitated through 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

- Cheque Imaging and Truncation System (CITS)
- Common Electronic Fund Transfer Switch (CEFTS)
- Sri Lanka Interbank Payment System (SLIPS)

Retail Payment Methods and Instruments

- Cheques
- Direct Debit
- Internet banking
- LANKAQR
- Mobile payment Apps
- Mobile Phone based Payment Mechanisms
- Payment Cards
- Payment Exchange Name (PEN)
- Postal Instruments
- Tele-Banking

Chart 5

Large Value Payments and Retail Payments (in Value Terms)

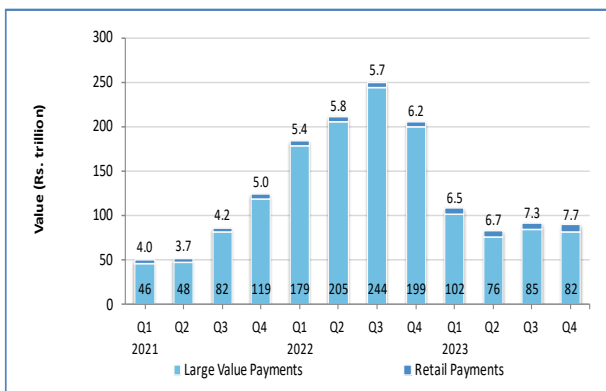
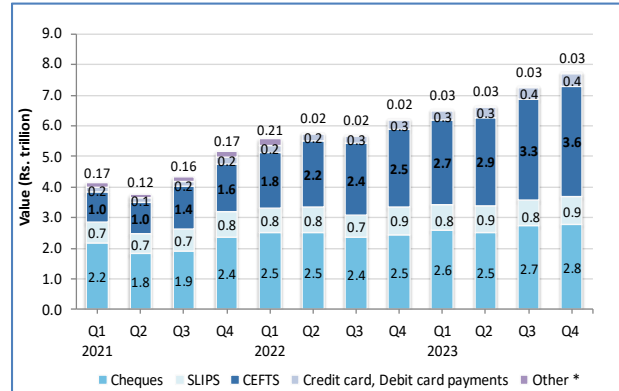


Chart 6

Retail Payments by systems (in Value Terms)



* Payments through postal instruments, Tele-banking, and e-Money.

3.1 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 of the fourth quarter 2023, 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 maximum fee that can be charged from customers for fund transfers effected through RTGS System is Rs. 400.

Table: 2

Performance of RTGS System

Description	Volume						Value (Rs. billion)					
			Q4		% Change				Q4		% Change	
	2022	2023	2022	2023	23/22	Q4 23/22	2022	2023	2022	2023	23/22	Q4 23/22
Total Transactions	638,733	657,805	172,866	169,151	3.0	-2.1	827,105	345,077	199,104	82,372	-58.3	-58.6

Transactions by Type

Repo/Reverse Repo (a)	124,451	139,292	35,680	36,696	11.9	2.8	357,191	117,844	80,053	23,032	-67.0	-71.2
Intraday Liquidity Facility (ILF) (b)	112,993	109,928	35,089	26,912	-2.7	-23.3	315,531	143,074	69,818	39,446	-54.7	-43.5
Standing Deposit Facility (SDF) (c)	9,970	3,126	2,653	774	-68.6	-70.8	108,857	36,101	39,893	7,054	-66.8	-82.3
Inter-participant Transactions	29,881	35,114	6,747	9,059	17.5	34.3	19,118	17,054	2,585	4,419	-10.8	70.9
Customer Transactions	272,977	280,015	69,832	72,532	2.6	3.9	15,848	17,841	3,856	4,991	12.6	29.4
Clearing House Transactions	85,008	87,800	21,760	22,696	3.3	4.3	9,221	11,375	2,506	3,049	23.4	21.7
Other Transactions (d)	3,453	2,530	1,105	482	-26.7	-56.4	1,338	1,789	394	380	33.7	-3.6

(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 Internal Fund Transfers, Rupee Settlement of Central Bank Forex Transactions, bank charges etc.

Transactions by Size

	Volume						Value (Rs. billion)					
			Q4		% Share				Q4		% Share	
	2022	2023	2022	2023	2023	Q4 2023	2022	2023	2022	2023	2023	Q4 2023
Below Rs. 1 mn	88,048	92,604	22,490	23,603	14.1	14.0	19	19	5	5	neg.	neg.
Rs. 1 mn ≤ and <Rs. 100 mn	310,121	319,776	82,496	81,567	48.6	48.2	8,554	9,202	2,357	2,371	2.7	2.9
Rs. 100 mn ≤ and <Rs. 500 mn	110,869	124,917	33,192	32,316	19.0	19.1	29,592	34,616	9,073	8,999	10.0	10.9
Rs. 500 mn ≤ and <Rs. 1,000 mn	52,614	49,143	16,503	14,182	7.5	8.4	39,048	36,973	11,892	10,780	10.7	13.1
Rs. 1,000 mn and above	77,081	71,365	18,185	17,483	10.8	10.3	749,891	264,267	175,777	60,217	76.6	73.1

neg. – negligible

Source: Central Bank of Sri Lanka

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Chart 7

Total Volume and Total Value of RTGS Transactions

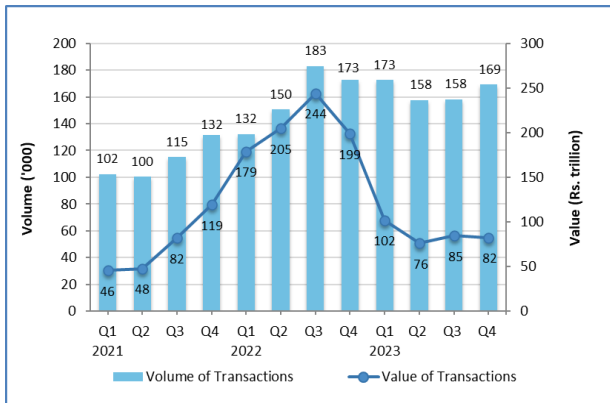


Chart 8

RTGS Transactions by Type of Participants in Q4 2023

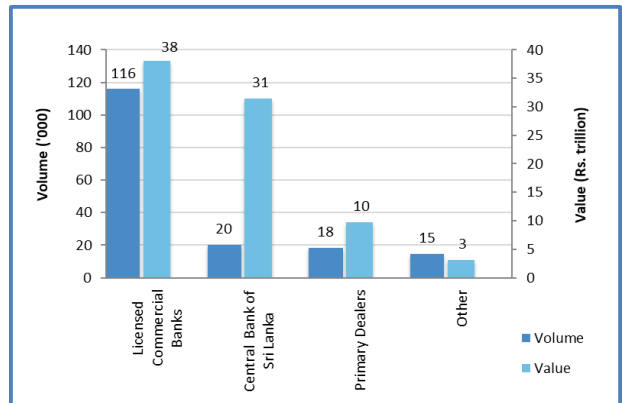


Chart 9

RTGS Transactions by Type of Participants in Q4 2023 (in Volume Terms)

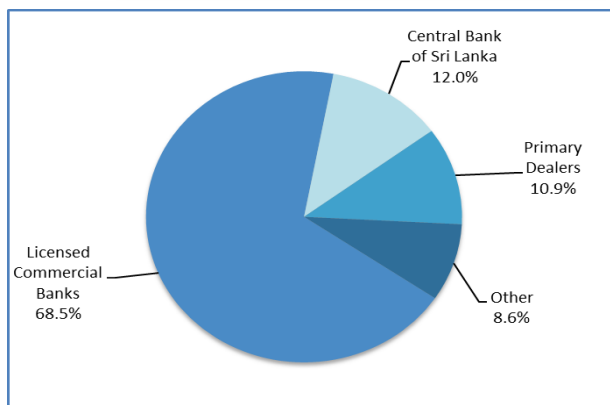


Chart 10

RTGS Transactions by Type of Participants in Q4 2023 (in Value Terms)

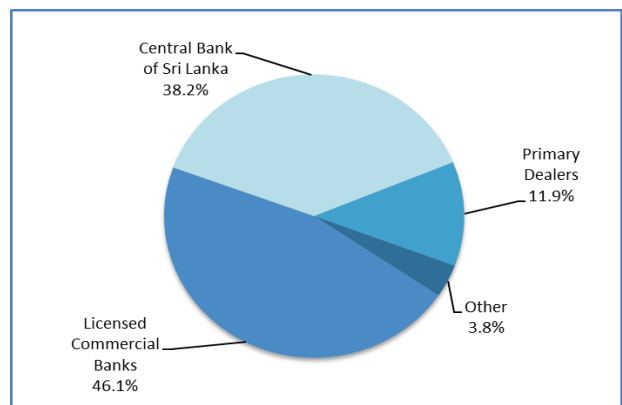


Chart 11

Composition of RTGS Transactions by Size in Q4 2023 (in Volume Terms)

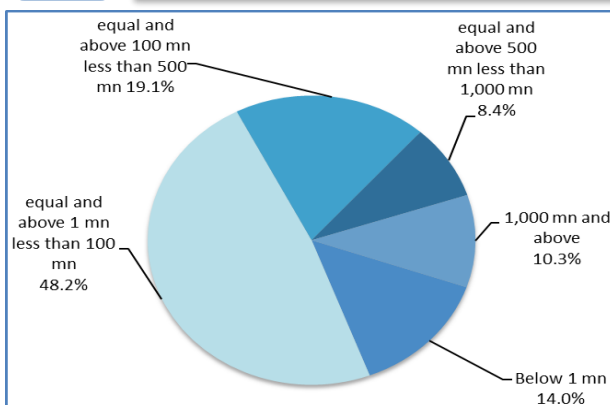
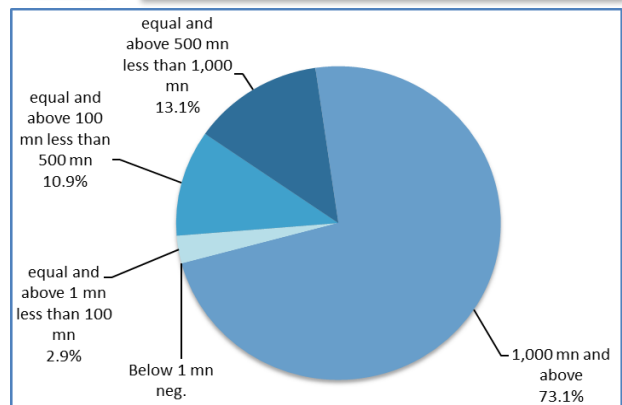


Chart 12

Composition of RTGS Transactions by Size in Q4 2023 (in Value Terms)



neg. – negligible

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Table: 3

Time Distribution of RTGS Transactions

Description	Volume						Value (Rs. billion)					
					% Share						% Share	
	2022	2023	Q4 2022	Q4 2023	2023	Q4 2023	2022	2023	Q4 2022	Q4 2023	2023	Q4 2023
7.00-10.00	114,876	121,482	31,501	32,434	18.5	19.2	214,552.2	113,653.6	50,852.8	30,875.0	32.9	37.5
10.00-12.00	119,655	132,694	32,930	32,520	20.2	19.2	171,763.3	58,400.3	36,887.1	10,801.3	16.9	13.1
12.00-14.00	192,486	191,746	49,295	50,553	29.1	29.9	43,781.9	36,729.3	15,525.6	9,594.0	10.6	11.6
14.00-16.00	135,511	169,877	38,643	44,858	25.8	26.5	89,520.9	77,444.6	38,019.6	17,279.7	22.4	21.0
After 16.00	76,205	42,006	20,497	8,786	6.4	5.2	307,486.8	58,849.4	57,819.2	13,822.2	17.1	16.8

Source: Central Bank of Sri Lanka

Chart 13

Time Distribution of RTGS Transactions (in Volume Terms)

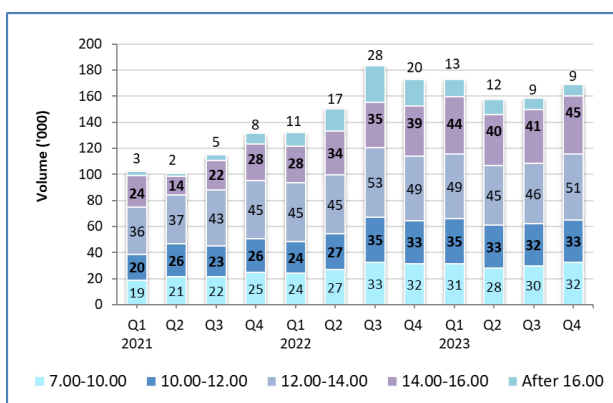
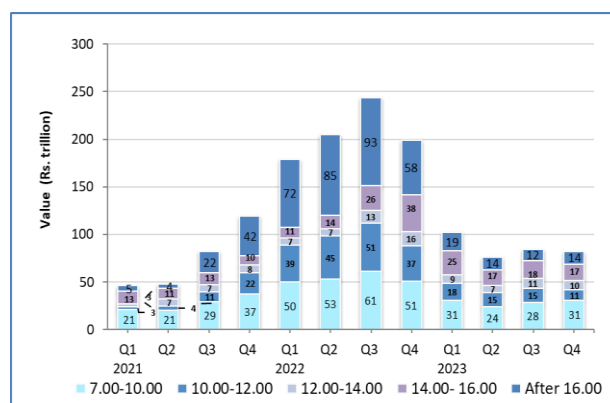


Chart 14

Time Distribution of RTGS Transactions (in Value Terms)



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3.2 Cheques

(a) Sri Lanka Interbank Rupee Cheque Clearing

- At present, all LKR cheques and drafts are cleared by LankaPay (Pvt) Ltd (LPPL) 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 enabling the transfer of cheque images for clearing instead of the physical cheques and increasing efficiency and speed of cheque clearing.
- 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.
- All Licensed Commercial Banks and CBSL are participants of the CITS.

Table: 4

Cheque Clearing

Description	Volume ('000)						Value (Rs. billion)					
					% Change						% Change	
	2022	2023	Q4 2022	Q4 2023	23/22	Q4 23/22	2022	2023	Q4 2022	Q4 2023	23/22	Q4 23/22
Total Cheques Cleared*	33,049.6	35,110.6	8,325.0	9,372.4	6.2	12.6	9,813.8	10,610.2	2,451.9	2,761.2	8.1	12.6
Average per day	137.7	145.1	138.7	148.8	5.4	7.3	40.9	43.8	40.9	43.8	7.1	7.1

Cheque Clearing by Size

Below Rs. 0.1 mn	22,448.0	23,400.7	5,595.1	6,236.6	4.2	11.5	724.9	790.1	185.4	211.4	9.0	14.0
Rs. 0.1mn ≤ and < Rs. 1mn	9,120.0	10,237.4	2,374.5	2,746.3	12.3	15.7	2,501.6	2,745.9	643.2	735.3	9.8	14.3
Rs.1 mn ≤ and < Rs.11mn	1,396.0	1,379.1	333.3	365.3	-1.2	9.6	3,552.3	3,536.7	876.3	935.9	-0.4	6.8
Rs.11 mn ≤ and < Rs.51mn	74.8	80.5	19.4	21.0	7.7	8.2	1,620.2	1,762.6	423.2	456.9	8.8	8.0
Rs.51mn ≤ and ≤ Rs.100mn	8.9	9.7	2.0	2.5	9.0	25.0	676.9	730.0	152.1	185.1	7.8	21.7
Above Rs. 100 mn.	2.0	3.2	0.6	0.8	54.9	33.0	737.9	1,044.9	171.7	236.5	41.6	37.7

* cheques received for clearing

Source: LankaPay (Pvt) Ltd.

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Chart 15

Average Volume of Cheques Cleared per day

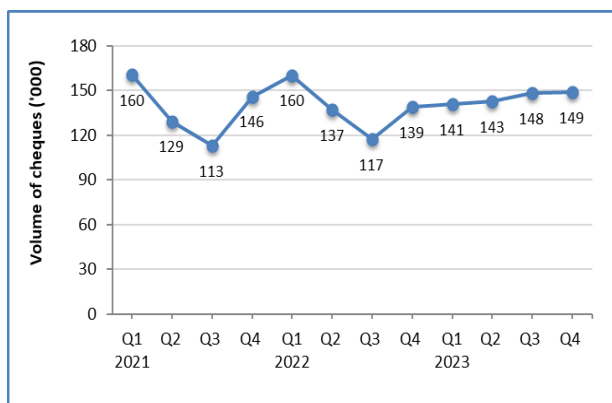


Chart 16

Average Value of Cheques Cleared per day

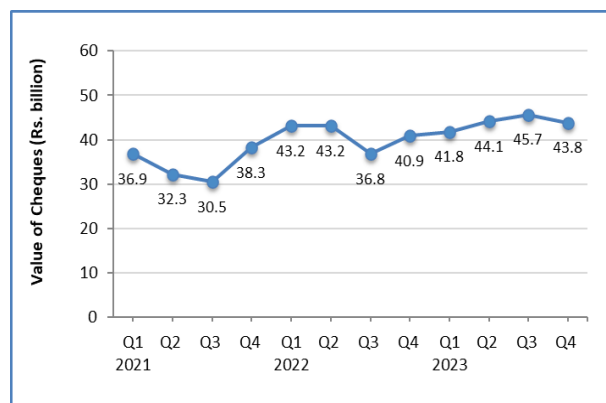


Table 5

Cheque Returns

Description	Volume ('000)		% Change		Value (Rs. billion)		% Change					
	2022	2023	Q4 2022	Q4 2023	23/22	Q4 23/22	2022	2023	Q4 2022	Q4 2023	23/22	Q4 23/22
Total Cheques Returned	848.0	1,021.5	213.7	276.8	20.5	29.5	212.6	262.4	58.3	68.8	23.4	18.0

Source: LankaPay (Pvt) Ltd.

Table 6

Cheque Returns

Description	2022	2023	Q4 2022	Q4 2023
Volume of Cheques Returned (as a % of total volume of cheques received for clearing)	2.6	2.9	2.6	3.0
Value of Cheques Returned (as a % of total value of cheques received for clearing)	2.2	2.5	2.4	2.5
Average Volume of Cheques Returned per day	3,533	4,221	3,561	4,394
Average Value of Cheques Returned per day (Rs. million)	886	1,084	972	1,092

Source: LankaPay (Pvt) Ltd.

Table 7

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

Description	2022	2023	Q4 2022	Q4 2023
Refer to Drawer	42.3	48.0	48.5	46.4
Payment Stopped by Drawer	18.8	20.9	21.2	20.9
Account Closed	8.4	11.6	8.6	13.2
Effects not Realized	0.6	0.6	0.7	0.5
Credits not Verified	9.4	0.8	0.5	1.2
Payment postponed pending drawer's confirmation	0.9	0.6	0.8	0.6
Other	19.7	17.5	19.7	17.2

Source: LankaPay (Pvt) Ltd.

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Chart 17

Average Volume of Cheques Returned per day

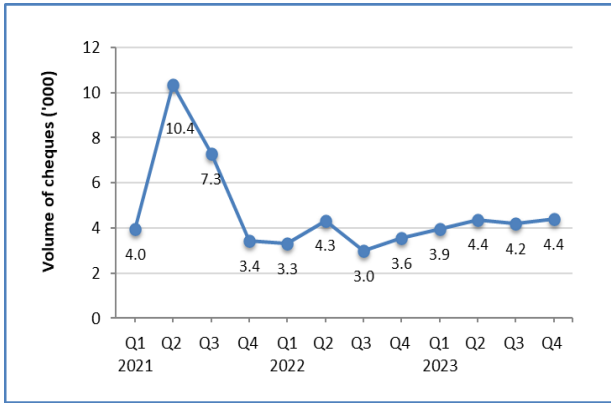


Chart 18

Average Value of Cheques Returned per day

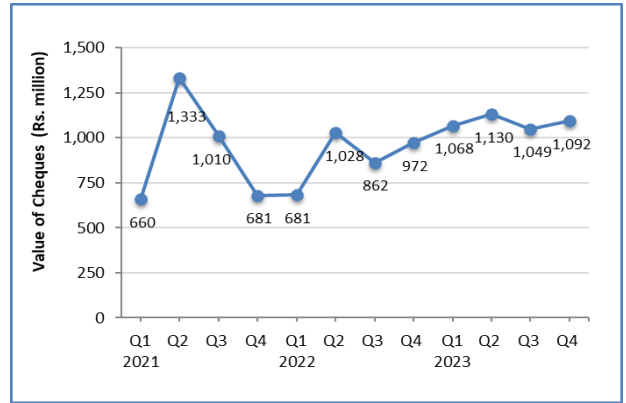


Chart 19

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

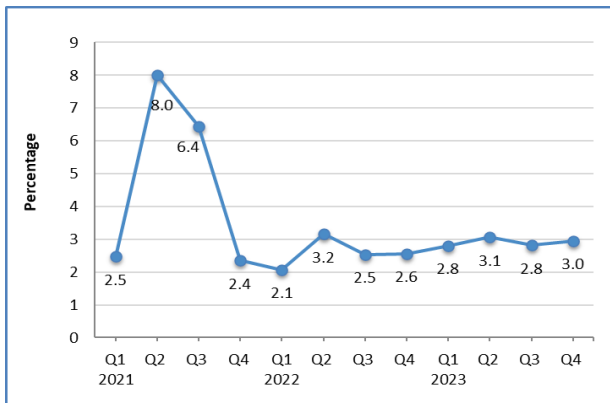


Chart 20

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

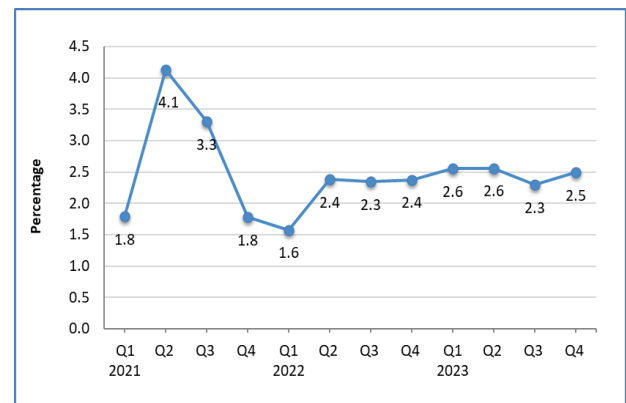


Chart 21

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

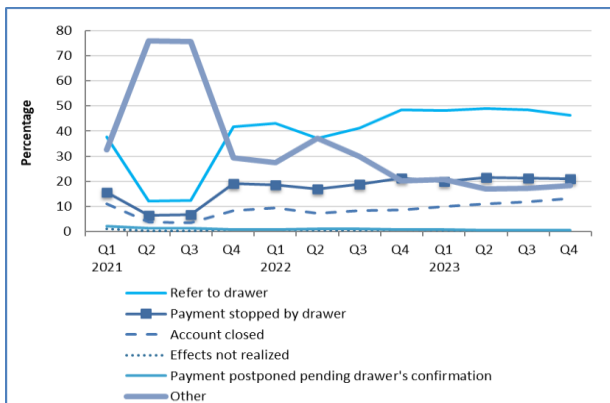
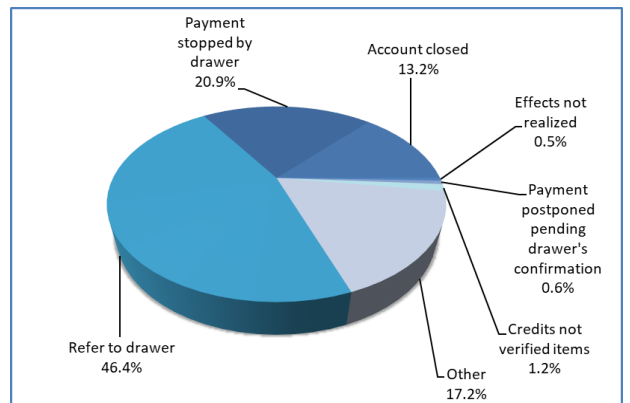


Chart 22

Composition of Cheque Returns in Q4 2023 by Return Code



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(b) 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.
- As at end of the fourth quarter 2023, there were 22 Licensed Commercial Banks connected to the US Dollar Cheque Clearing System.

Table: 8

US Dollar Cheque Clearing

Description	Volume		% Change				Value (US Dollar million)		% Change			
	2022	2023	Q4 2022	Q4 2023	23/22	Q4 23/22	2022	2023	Q4 2022	Q4 2023	23/22	Q4 23/22
	Total Cheques Cleared	50,475.0	66,873.0	16,129.0	17,613.0	32.5	9.2	433.6	391.5	118.9	103.6	-9.7
Cheque Clearing per day	214.8	284.6	278.1	288.7	32.5	3.8	1.8	1.7	2.0	1.7	-5.6	-15.0

Source: LankaPay (Pvt) Ltd.

Chart 23

Volume of US Dollar Cheques Cleared

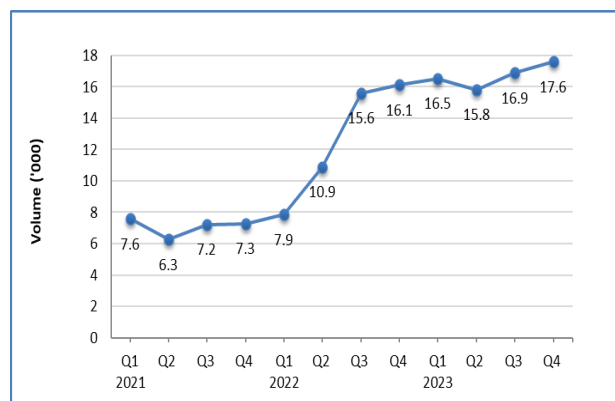
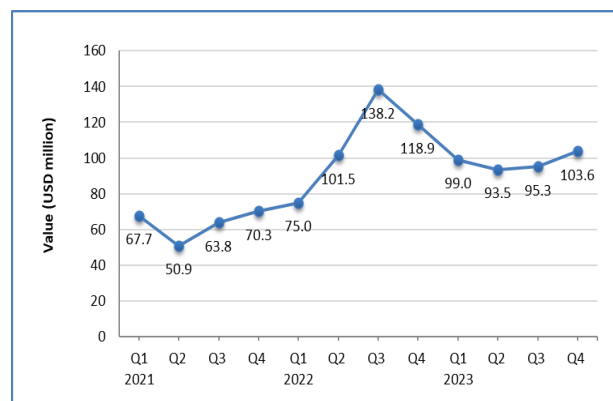


Chart 24

Value of US Dollar Cheques Cleared



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3.3 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).
- Retail 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 2023, 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	
	2022		2023		Q4 2022	Q4 2023	2022	2023	Q4 2022	Q4 2023	23/22	23/22
Total Transactions Cleared	45,536.4	52,751.4	11,830.0	16,606.3	15.8	40.4	3,368.4	3,470.9	884.1	917.9	3.0	3.8
Average per day	189.7	218.0	197.2	263.6	14.9	33.7	14.0	14.3	14.7	14.6	2.1	-0.7
Transactions by Size												
Less than Rs. 1 mn	45,052.5	52,260.7	11,703.6	16,480.1	16.0	40.8	2,106.8	2,230.9	559.0	599.1	5.9	7.2
Between Rs. 1 mn – 5 mn	483.9	490.6	126.5	126.3	1.4	-0.2	1,261.6	1,240.0	325.2	318.8	-1.7	-2.0
Transactions by Type												
Credit transactions	45,527.3	52,741.5	11,827.7	16,604.0	15.8	40.4	3,350.3	3,452.6	879.3	914.2	3.1	4.0
Debit transactions	9.0	9.9	2.3	2.3	10.0	-	18.2	18.3	4.8	3.8	0.5	-20.8

Source: LankaPay (Pvt) Ltd.

Chart 25

Volume and Value of SLIPS Transactions

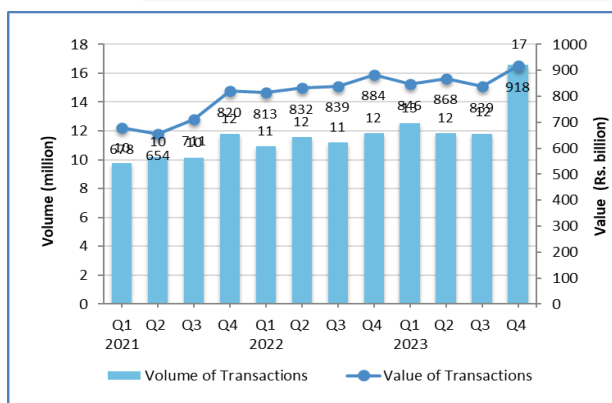
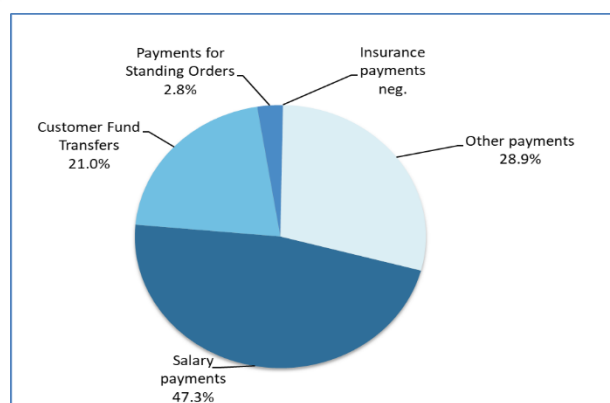


Chart 26

SLIPS Transactions by Transaction Category in Q4 2023 (in Volume Terms)



neg. - negligible

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Chart 27

Average Volume of SLIPS Transactions per day

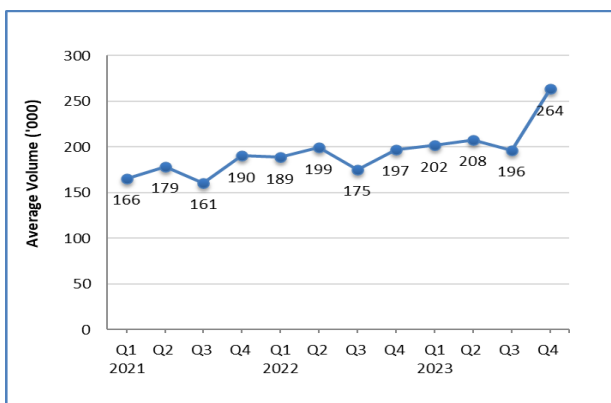
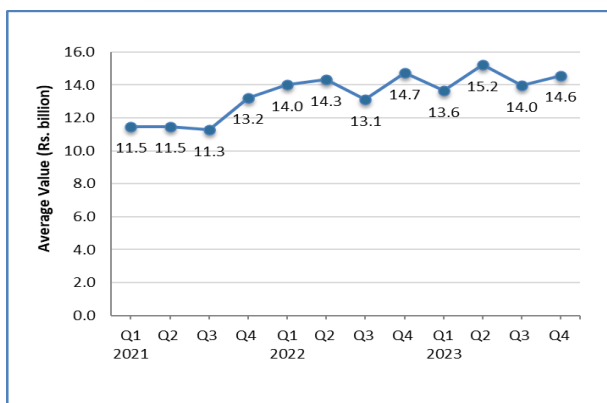


Chart 28

Average Value of SLIPS Transactions per day



3.4 Payment Cards and Mobile Phone based Payment Systems

- *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.*

3.4.1 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 2023)

Class of Business	Number of Service Providers
Issuers of Debit Cards	32
Issuers of Credit Cards	17
Issuers of Stored Value Cards	12
Financial Acquirers of Payment Cards	13

Source: Central Bank of Sri Lanka

- *Payment cards can be used for payments for Point-of-Sales (POS) transactions and/or for e-commerce transactions, and for ATM transactions.*

(a) Credit Cards

- In 1989, Licensed 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 2023, 14 Licensed Commercial Banks and 3 Licensed Finance Companies had been licensed to engage in credit card business.

Table: 10

Credit Card Transactions

Description	2022	2023 (a)	Q4 2022	Q4 2023 (a)	% Change	
					23/22	Q4 23/22
1 Number of cards issued (during the period)	240,653	199,124	44,685	55,675	-17.3	24.6
2 Total number of cards in use (as at end period)	2,054,896	1,987,857	2,054,896	1,987,857	-3.3	-3.3
3 Total volume of transactions (million)	59.8	82.3	16.4	22.3	37.6	36.0
4 Total value of transactions (Rs. billion)	401.7	573.4	119.1	162.6	42.7	36.5

(a) Provisional

Sources: Licensed Commercial Bank
Licensed Finance Companies

Chart 29

Credit Card Transactions

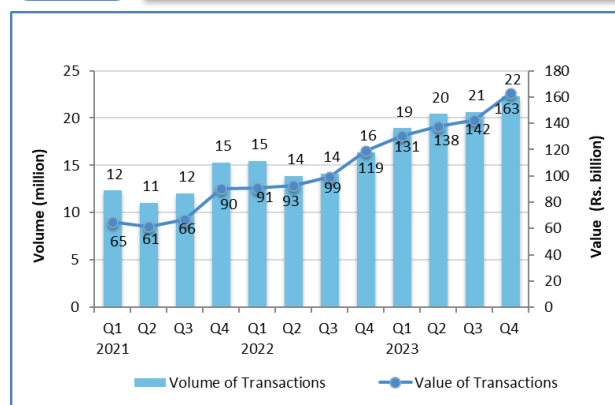


Chart 30

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

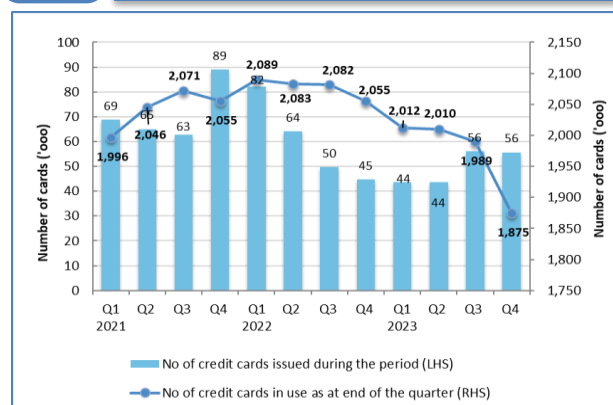


Chart 31

Average Volume of Transactions per Credit Card

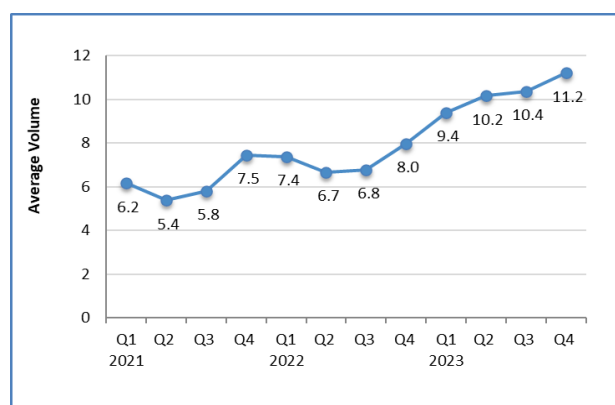
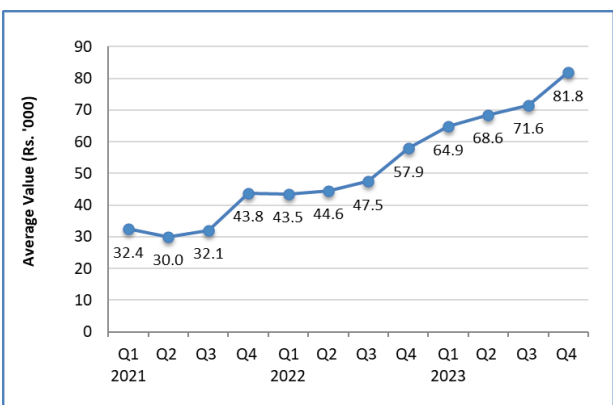


Chart 32

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)		
	2022	2023 (a)	% Change 23/22	2022	2023 (a)	% Change 23/22
Defaulted number of Credit Cards *	200,739	169,527	-15.5	21.2	20.6	-2.8

(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)

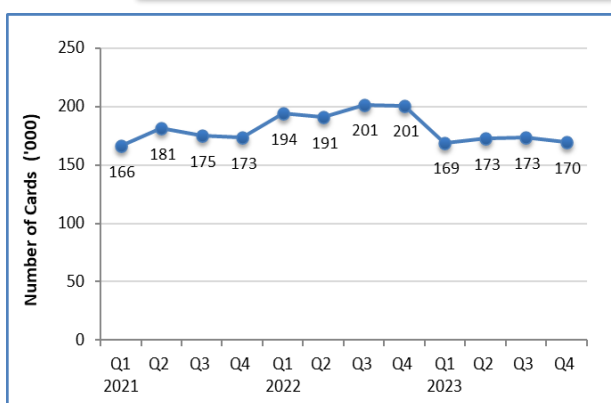
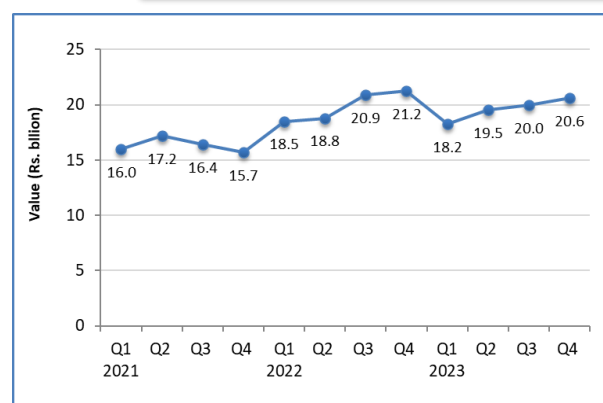


Chart 34

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 the fourth quarter of 2023, 18 Licensed Commercial Banks, 4 Licensed Specialized Banks and 10 Licensed Finance Companies have been licensed for issuing debit cards.

Table: 12

Debit Card Transactions

Description	2022	2023 (a)	Q4 2022	Q4 2023 (a)	% Change	
					23/22	Q4 23/22
1 Number of cards issued (during the period)	3,906,078	4,334,425	831,401	1,189,667	11.0	43.1
2 Total number of cards in use (as at end period)	18,753,071	20,401,187	18,753,071	20,401,187	8.8	8.8
3 Total volume of transactions (million) (b)	146.5	187.3	40.4	54.1	27.8	33.9
4 Total value of transactions (Rs. billion) (b)	528.9	694.4	155.0	201.7	31.3	30.1

(a) Provisional

Sources: Licensed Commercial Banks
Licensed Specialised Banks
Licensed Finance Companies

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

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Chart 35

Debit Card Transactions (carried out at POS terminals)

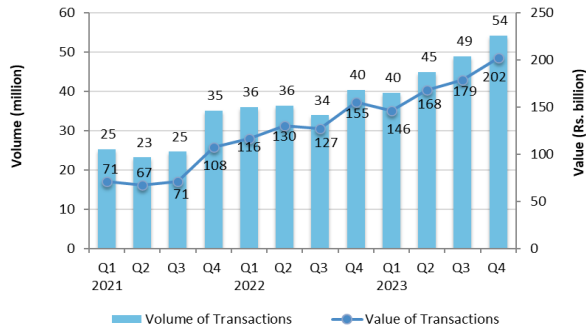


Chart 36

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

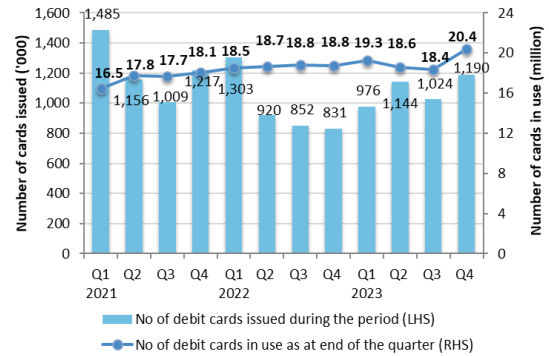


Chart 37

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

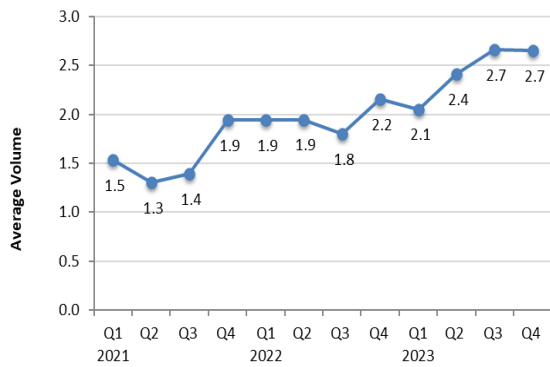


Chart 38

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

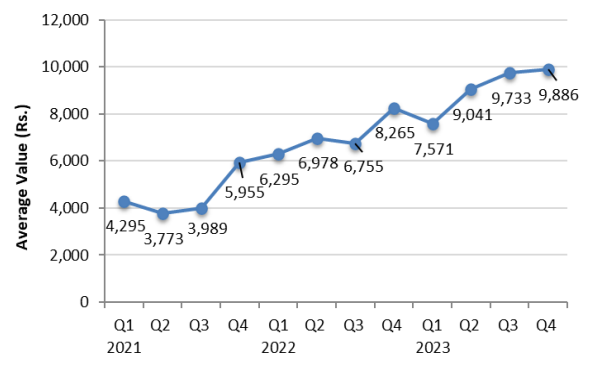


Table: 13

e-Commerce Transactions

Description	Volume (million)		% Change		Value (Rs. billion)		% Change					
	2022	2023 (a)	Q4 2022	Q4 2023 (a)	Q4 23/22	Q4 23/22	Q4 2022	Q4 2023 (a)	Q4 23/22	Q4 23/22		
	e-commerce transactions	85.4	98.3	21.9	27.4	15.1	25.1	201.3	288.4	56.3	81.5	43.3
which carried out through;												
Credit Cards	16.9	17.3	4.1	4.6	2.4	12.2	92.5	115.5	24.9	31.1	24.9	24.9
Debit Cards	68.5	81.1	17.8	22.8	18.4	28.1	108.8	173.0	31.4	50.3	18.4	60.2

(a) Provisional

Sources: 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)

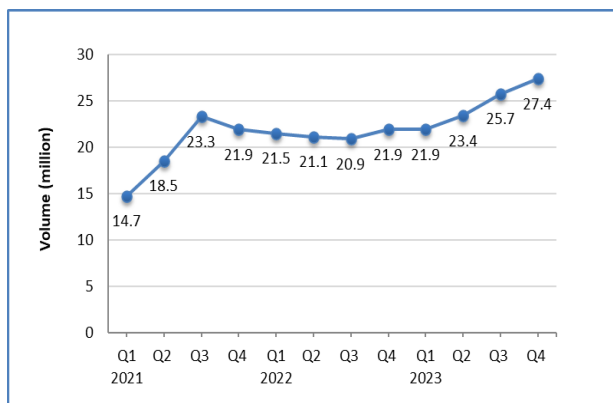
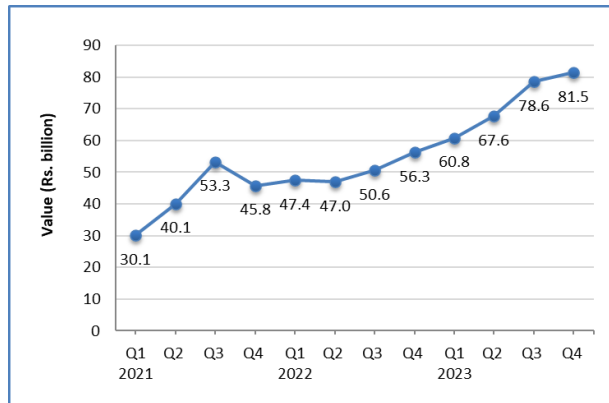


Chart 40

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



3.4.2 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

Automated Teller Machines (ATMs)

Description	2022	2023 (a)	Q4 2022	Q4 2023 (a)	% Change (a)	
					23/22	Q4 23/22
1. Number of ATM terminals in use (as at end period)	4,026	3,813	4,026	3,813	-5.3	-5.3
2. Total volume of financial transactions during the period (million)(b)	358.7	396.1	96.3	103.5	10.4	7.5
3. Total value of financial transactions during the period (Rs. billion)(b)	5,721.8	6,435.0	1,524.9	1,717.1	12.5	12.6

(a) Provisional

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

Sources: Licensed Commercial Banks
Licensed Specialized Banks
Licensed Finance Companies

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Chart 41

Average Volume of Transactions per ATM

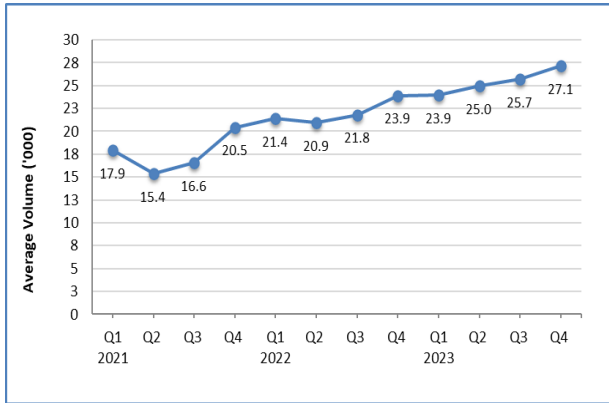
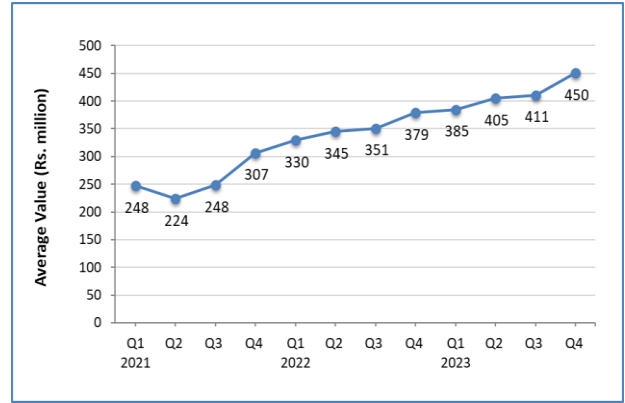


Chart 42

Average Value of Transactions per ATM



(b) Cash Deposit Machines (CDMs) /Cash Recycler Machines (CRMs)

- 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.

Table: 15

CDMs /CRMs (As at end period)

Description	2022	2023 (a)	% Change 23/22
1 No. of CDMs/CRMs in use	2,986	3,219	7.8

(a) Provisional

Sources: Licensed Commercial Banks
Licensed Specialized Banks
Licensed Finance Companies

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(c) Point of Sale (POS) 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 2023, 10 Licensed Commercial Banks, 2 Licensed Finance Company and 1 Private Company (Global Payments Asia Pacific Lanka Pvt Ltd) were licensed to function as Financial Acquirers of Payment Cards.
- All Financial Acquirers of Payment Cards in Sri Lanka have upgraded their POS terminals with the Terminal Line Encryption technology since 31 March 2013, adhering to the directive given by CBSL to enhance the security of payment card transactions.
- With the intention of protecting cardholder 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

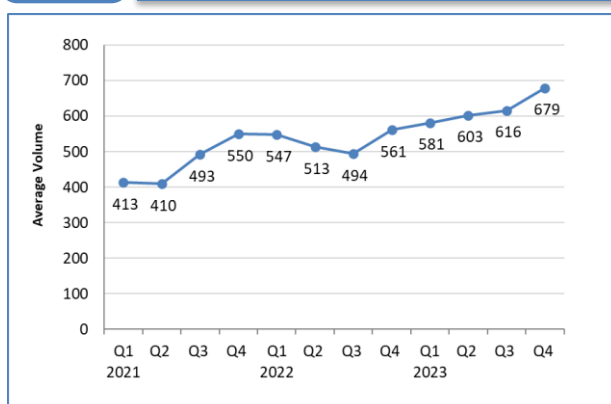
Description	2022	2023 (a)	Q4 2022	Q4 2023 (a)	% Change	
					23/22	Q4 23/22
1 Number of POS terminals in use (as at end period)	103,434	114,011	103,434	114,011	10.2	10.2
2 Total volume of transactions during the period (million)	212.4	272.6	58.0	77.4	28.3	33.4
3 Total value of transactions during the period (Rs. billion)	1,001.4	1,357.2	290.6	392.9	35.5	35.2

(a) Provisional

Source: Licensed Financial Acquirers of Payment Cards

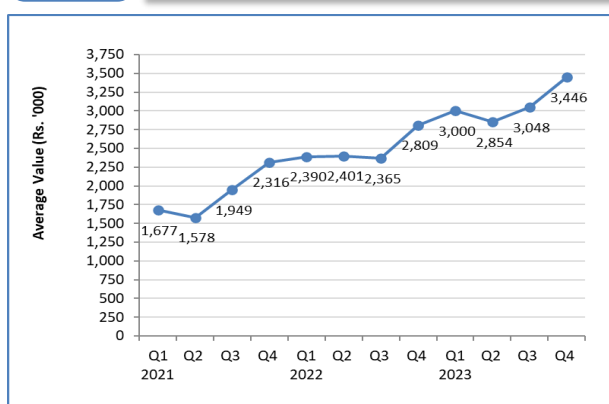
**Chart
43**

**Average Volume of Transactions per
POS Terminal**



**Chart
44**

**Average Value of Transactions per
POS Terminal**



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3.4.3 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 2023)

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

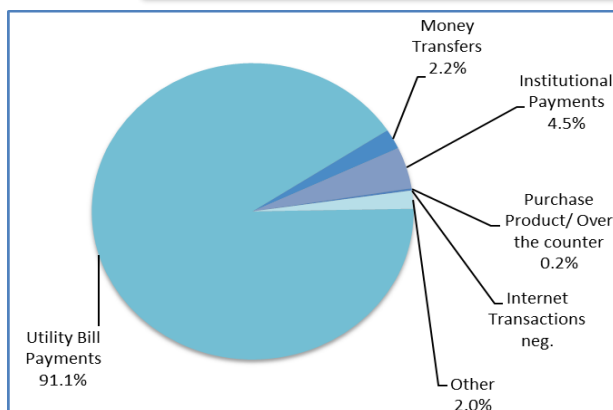
- *Customer Account based Mobile Payment System means a mobile phone based payment system operated by a Licensed Commercial Bank, a Licensed Specialized Bank or a Licensed Finance Company that provides a means of access to the customer account maintained with them by providing payment instructions via 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 mobile e-money 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 45

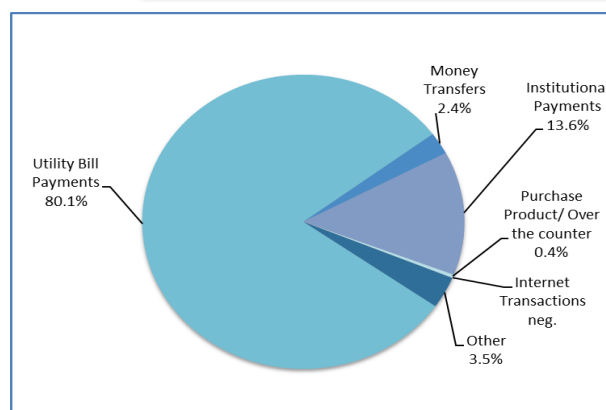
Composition of Mobile Phone based e-money Transactions in Q4 2023 (in Volume Terms)



neg. – negligible

Chart 46

Composition of Mobile Phone based e-money Transactions in Q4 2023 (in Value Terms)



Source: Operators of Mobile Phone based e-money Systems

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3.5 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.
- Transactions carried out through Internet based payment systems includes payments made using credit card, debit card, SLIPS and other methods through internet.

Table: 17

Internet based Payment Systems

Description	Volume (million)		% Change				Value (Rs. billion)		% Change			
	2022	2023 (a)	Q4 2022	Q4 2023 (a)	23/22	Q4 23/22	2022	2023 (a)	Q4 2022	Q4 2023 (a)	23/22	Q4 23/22
	Total financial transactions (during the period)	187.1	247.8	51.2	68.9	32.4	34.6	10,596	12,660	2,875	3,409	19.5

(a) Provisional

Sources: Licensed Commercial Banks
 Licensed Specialized Banks
 Licensed Finance Companies

Chart 47

Volume of Internet based Payments

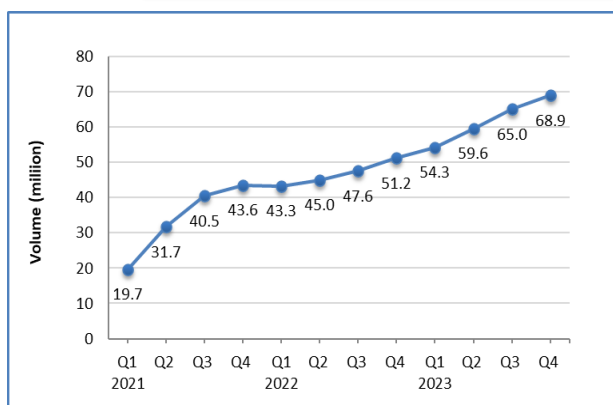
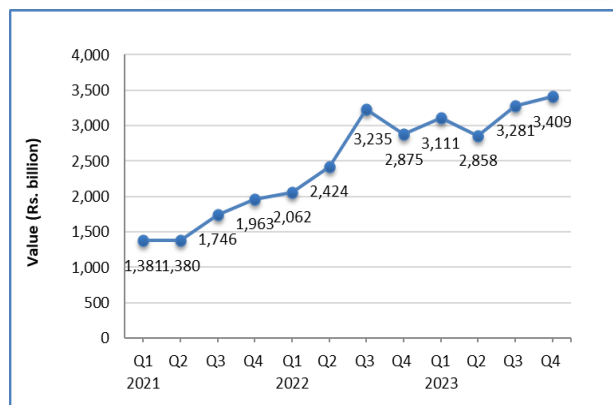


Chart 48

Value of Internet based Payments



3.6 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	2022	2023 (a)	Q4 2022	Q4 2023 (a)	% Change	
					23/22	Q4 23/22
1. Total volume of financial transactions (during the period)	3,633	4,826	888	1,049	32.8	18.1
2. Total value of financial transactions (during the period) (Rs. million)	1,083.6	1,163.7	153.5	356.3	7.4	132.1

(a) Provisional

Sources: Licensed Commercial Banks
Licensed Specialized Banks
Licensed Finance Companies

3.7 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. 100,000.
- A person can buy a money order at a post office and the 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						Value (Rs. million)					
					% Change						% Change	
	2022	2023 (a)	Q4 2022	Q4 2023 (a)	23/22	Q4 23/22	2022	2023 (a)	Q4 2022	Q4 2023 (a)	23/22	Q4 23/22
1. Ordinary Money Orders	35,676	19,596	9,052	5,676	-45.1	-37.3	333	287	64	112	-13.8	75.0
2. E-money Orders	539,026	667,561	148,851	158,832	23.8	6.7	5,573	8,417	1,700	2,167	51.0	27.5
3. Local Value Payment Money Orders	15,738	9,167	3,554	1,352	-41.8	-62.0	44	38	15	12	-13.6	-20.0
4. Other	26,465	15,668	4,221	4,712	-40.8	11.6	3,437	3,843	1,072	1,296	11.8	20.9
Total	616,905	711,992	165,678	170,572	15.4	3.0	9,387	12,585	2,852	3,587	34.1	25.8
Total number of Post Offices (end period)	4,135	4,145	4,135	4,145	0.2	0.2						

Source: Postal Department

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3.8 Common Card and Payment Switch (CCAPS)

- CCAPS, operated by LPPL, was set up in order to establish a national payment 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 mainly consists of Common ATM Switch (CAS), Common Electronic Fund Transfer Switch (CEFTS) and Common POS Switch (CPS).

(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 2023, LankaPay CAS consisted of 27 members [20 Licensed Commercial Banks, 4 Licensed Specialized Banks and 3 Licensed Finance Companies] connecting through 6,124 ATMs and 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

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Table: 20

Common ATM Switch (CAS)

Description	2022	2023	Q4 2022	Q4 2023	% Change	
					23/22	Q4 23/22
1. Number of CAS members (as at end period)	30	27	30	27	-10.0	-10.0
2. Number of ATMs and CRMs connected to CAS (as at end period)	5,849	6,124	5,849	6,124	4.7	4.7
3. Total volume of financial transactions ('000) (a)	84,141	101,307	23,725	27,131	14.4	20.4
4. Total value of financial transactions (Rs. billion) (a)	1,013	1,243	283	339	19.8	22.7

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

Source: LankaPay (Pvt) Ltd.

Chart 49

Volume of CAS Transactions

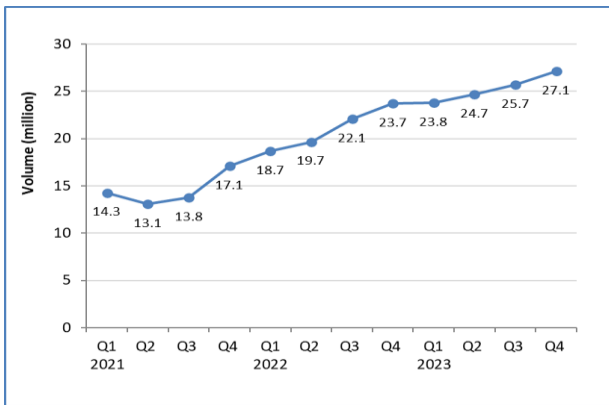


Chart 50

Value of CAS Transactions

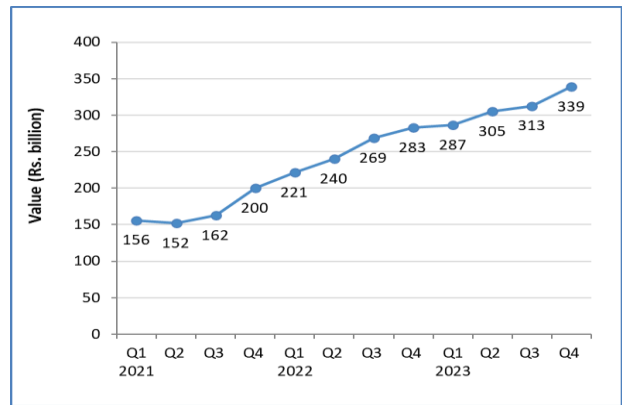


Chart 51

Average Volume of CAS Transactions per day

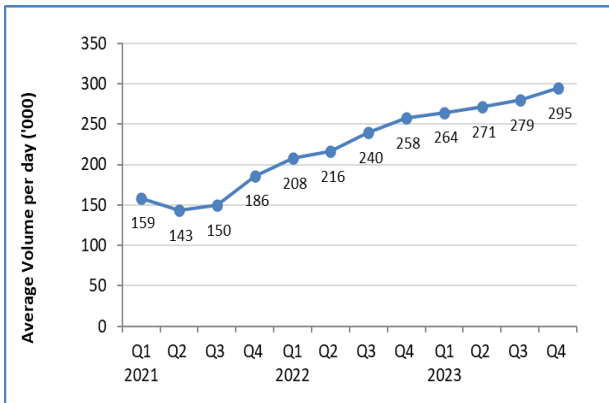
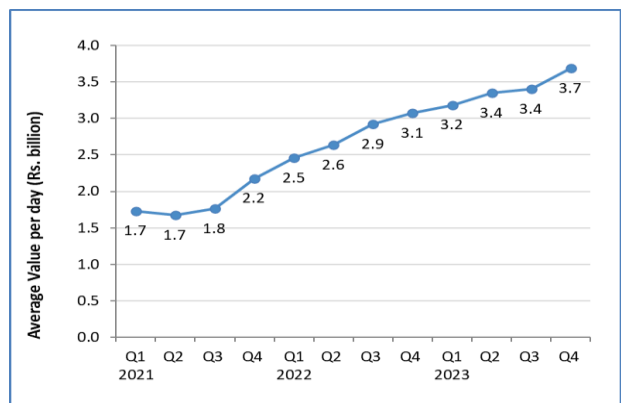


Chart 52

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 2023, CEFTS consisted of 47 members [24 Licensed Commercial Banks, 4 Licensed Specialized Banks and 19 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)
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

- 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 and other Institutions through CEFTS.
 - ii. As at end of the fourth quarter of 2023, 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, Sri Lanka Standards Institution and Department of Commerce.
 - iii. Government Digital Payment Platform (GDPP) was introduced in 2023, via LPOPP, to enable Government Institutions such as local governments to receive payments digitally from the public.
 - iv. 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.
 - v. The maximum limit of a JustPay transaction was increased to Rs. 50,000 from Rs. 10,000 in 2021.
 - vi. As at end of the fourth quarter of 2023, there were 13 Licensed commercial banks, 4 Licensed specialized banks and 6 Licensed finance companies with 28 JustPay connected mobile apps.
 - vii. 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 3.9).
 - viii. Direct Debit is another extension of CEFTS which allows a financial institution of a third party to pull a certain amount of funds from a customer's bank account on a certain date without having the customer to initiate the payment.
 - ix. As at end of fourth quarter 2023, 8 Licensed Commercial Banks, 1 Licensed Specialised Bank and 3 Licensed Financial Institutions were facilitating Direct Debit.

Table: 21

Common Electronic Fund Transfer Switch (CEFTS)

Description	2022	2023	Q4 2022	Q4 2023	% Change	
					23/22	Q4 23/22
1. Number of CEFTS members (as at end period)	48	47	48	47	-2.1	-2.1
2. Total volume of financial transactions ('000)	91,782.0	149,651.0	28,126.5	43,917.1	56.1	63.1
3. Total value of financial transactions (Rs. billion)	8,881.3	12,546.2	2,543.0	3,612.2	42.0	41.3

Source: LankaPay (Pvt) Ltd.

Chart 53

Volume of CEFTS Transactions

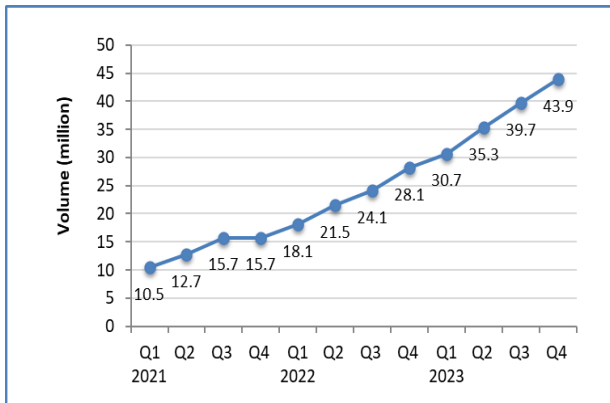


Chart 54

Value of CEFTS Transactions

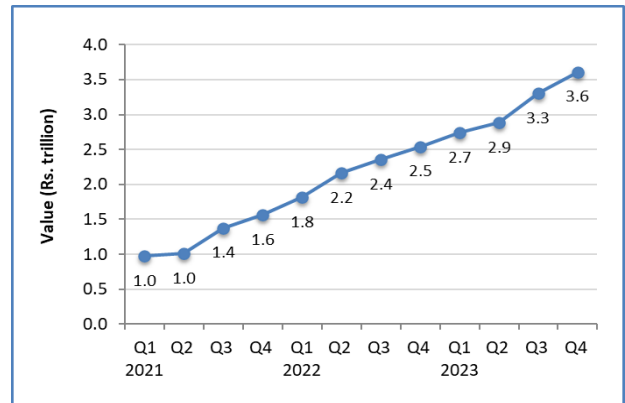


Chart 55

Average Volume of CEFTS Transactions per day

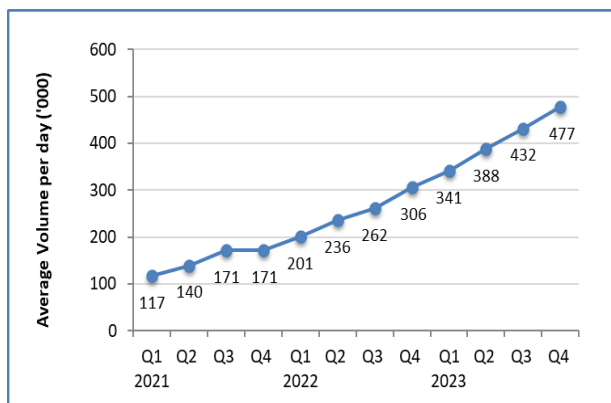
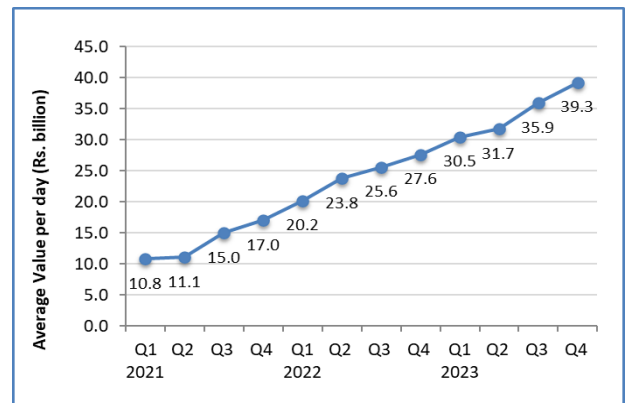


Chart 56

Average Value of CEFTS Transactions per day



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(c) 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 2023, there are 8 acquirers and 5 issuers of LankaPay cards.

Table: 22

Common POS Switch (CPS)

Description	2022	2023	Q4 2022	Q4 2023	% Change	
					23/22	Q4 23/22
					1. Total volume of financial transactions ('000)	3,698
2. Total value of financial transactions (Rs. million)	15.1	37.9	5.9	14.6	151.0	147.5

Source: LankaPay (Pvt) Ltd

3.9 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.
- 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 and Merchants

Description	Volume ('000)						Value (Rs. million)					
			Q4		% Change				Q4		% Change	
	2022	2023 (a)	2022	2023 (a)	23/22	Q4 23/22	2022	2023 (a)	2022	2023 (a)	23/22	Q4 23/22
Total transactions	599	1,141	195	333	90.5	70.8	1,975	3,383	613	978	71.3	59.5
On-Us transactions	421	688	135	201	63.4	48.9	1,215	1,457	361	414	19.9	14.7
Off-Us transactions	178	453	60	132	154.5	120.0	760	1,926	252	564	153.4	123.8

(a) Provisional

Sources: LankaPay (Pvt) Ltd

Licensed Financial Institutions

Chart 57

Volume of LANKAQR Transactions

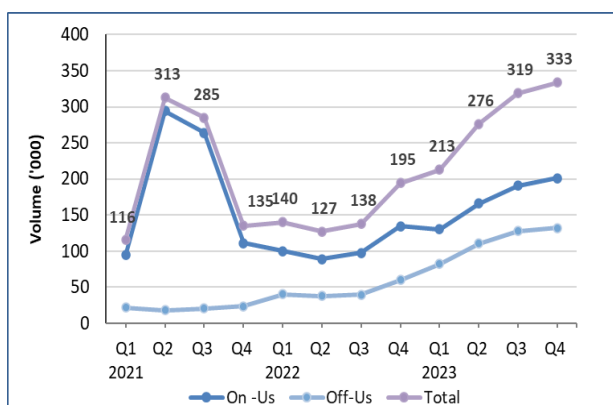


Chart 58

Value of LANKAQR Transactions

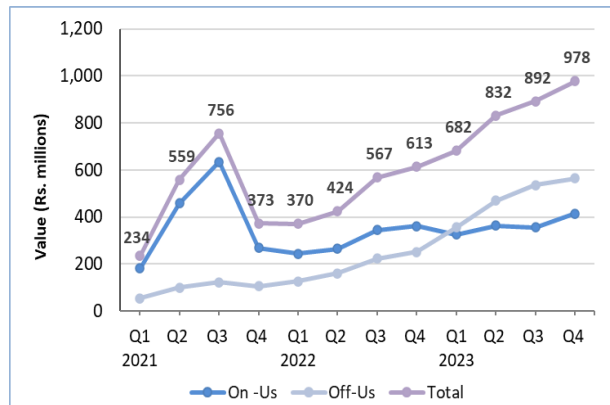


Table: 24

LANKAQR Merchants (As at end period)

Description	2022	2023 (a)	% Change 23/22
Merchants registered to LANKAQR (b)	350,031	388,257	10.9

(a) Provisional

Sources: LankaPay (Pvt) Ltd

Licensed Financial Institutions

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4

Asian Clearing Union

- 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: 25

ACU Transactions of Sri Lanka

Description	2022	2023	Q4 2022	Q4 2023	% Change	
					23/22	Q4 23/22
1. Number of Transactions	3,301	47	21	-	-98.6	-
2. Value of Total Receipts (Rs. billion)	53.8	8.0	0.5	-	-85.1	-
3. Value of Total Payments (Rs. billion)(a)	515.4	0.0	0.2	-	-	-

Source: Central Bank 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.

Table: 26

Performance of the Payment Systems/Instruments

Payment Systems/Instruments	2019	2020	2021	2022	2023 (a)
Large Value Payment Systems					
RTGS System					
Volume of transactions ('000)	427.9	397.2	449.8	638.7	657.8
Value of transactions (Rs. bn)	117,150.9	150,050.6	294,602.0	827,105.1	345,077.1
Retail Value Payment Systems					
Main Cheque Clearing System (b)					
Volume of transactions ('000)	46,801.8	33,631.5	33,021.2	33,049.6	35,110.6
Value of transactions (Rs. bn)	9,863.1	7,491.0	8,311.5	9,813.8	10,610.2
Sri Lanka Interbank Payment System (SLIPS)					
Volume of transactions ('000)	36,612.4	36,830.3	41,867.7	45,536.4	52,751.4
Value of transactions (Rs. bn)	2,104.2	2,256.7	2,862.2	3,368.4	3,470.9
Credit Cards					
No. of cards in use (c)	1,854,103	1,984,525	2,054,985	2,054,896	1,987,857
Volume of transactions ('000)	50,969.1	44,692.4	50,689.1	59,843.5	82,275.6
Value of transactions (Rs. bn)	277.2	221.8	282.6	401.7	573.4
Debit Cards (d)					
No. of cards in use (c)	23,068,813	17,803,673	18,069,812	18,753,071	20,401,187
Volume of transactions ('000)	71,096.2	75,093.6	108,039.7	146,478.9	187,265.8
Value of transactions (Rs. bn)	194.8	209.5	315.9	528.9	694.4
ATM Terminals (f)					
No. of ATM Terminals (c)	5,023	4,252	4,142	4,026	3,813
Volume of transactions ('000)	277,892.3	259,075.0	295,611.6	358,691.9	396,111.7
Value of transactions (Rs. bn)	3,187.7	3,706.5	4,315.8	5,721.8	6,435.0
POS Terminals					
No. of POS Terminals (c)	82,674	87,881	96,217	103,434	114,011
Volume of transactions ('000)	121,973.5	121,836.0	173,731.6	212,371.5	272,586.2
Value of transactions (Rs. bn)	605.4	492.3	700.7	1,001.4	1,357.2
Internet based Payments					
Volume of transactions ('000)	36,674.8	57,860.7	135,386.9	187,146.7	247,813.7
Value of transactions (Rs. bn)	3,875.4	4,441.6	6,469.7	10,596.4	12,659.6
Tele-banking					
Volume of transactions ('000)	10.5	4.7	4.2	3.6	4.8
Value of transactions (Rs. bn)	1.3	0.7	1.0	1.1	1.2
LANKAQR					
Volume of transactions ('000)		133.1	848.9	599.5	1,141.0
Value of transactions (Rs. bn)		0.3	1.9	2.0	3.4
Transactions cleared through CCAPS					
Common ATM Switch (CAS) (e)(f)					
Volume of transactions ('000)	47,443.9	48,979.7	58,210.5	84,141.2	101,307.4
Value of transactions (Rs. bn)	425.2	506.9	671.0	1,012.9	1,243.3
Common Electronic Fund Transfer Switch (CEFTS) (g)					
Volume of transactions ('000)	14,798.8	27,643.8	54,675.5	91,782.0	149,651.0
Value of transactions (Rs. bn)	1,382.8	2,415.3	4,926.6	8,881.3	12,546.2

(a) Provisional

(e) Cash withdrawals

(b) Total cheques cleared through LPPL

(f) Implemented on 23 July 2013

(c) As at end period

(g) Implemented on 21 August 2015

(d) Transactions carried out at POS terminals

Visit [Data Library](#) of CBSL to access past data.[Content page](#)

Table: 27

Key Indicators

Indicator	2019	2020	2021	2022	2023 (a)
1. Currency in circulation as a percentage of GDP	4.3	5.3	5.7	4.3	4.3
2. Per capita Currency in Circulation value (Rs.)	31,095	38,086	45,365	46,281	53,841
3. Currency (held by Public) as a percentage of GDP	3.1	4.1	4.5	3.1	3.3
4. Per capita RTGS transaction value (Rs.)	5,373,156	6,845,686	13,296,716	37,288,900	15,658,989
5. RTGS transactions value as a percentage of GDP	736	959 (b)	1,673 (b)	3,437 (b)	1,249
6. RTGS transactions Concentration ratio (Based on the value of top five participants)	53.0	60.2	77.6	85.1	64.1
7. Per capita Cheque usage (c)	2.1	1.5	1.5	1.5	1.6
8. Per capita Cheques transaction value (Rs.)	452,371	341,758	375,135	442,442	481,473
9. Cheque transaction value as a percentage of GDP	62.0	47.9	47.2	40.8	38.4
10. Per capita SLIPS transaction value (Rs.)	96,508	102,956	129,183	151,861	157,505
11. SLIPS transaction value as a percentage of GDP	13.2	14.4	16.3	14.0	12.6
12. CEFTS transaction value as a percentage of GDP (includes CEFTS, LPOPP, LANKAQR and JustPay transactions)	8.7	15.4	28.0	36.9	45.4
13. Per capita Debit Card transaction value (Rs.) (d)	8,932	9,560	14,260	23,846	31,512
14. Per capita Credit Card transaction value (Rs.)	12,714	10,121	12,757	18,110	26,020
15. Per capita Internet based payment value (Rs.)	177,747	202,636	292,007	477,723	574,472
16. Per capita Tele banking transaction value (Rs.)	61.7	30.1	43.7	48.9	52.8
17. Number of POS terminals per 1,000 inhabitants	3.8	4.0	4.3	4.7	5.2
18. Number of ATM terminals per 1,000 inhabitants	0.23	0.19	0.19	0.18	0.17
19. GDP at current Market prices (Rs. billion) (e)	15,911	15,646 (b)	17,612 (b)	24,064 (b)	27,630
20. Mid-Year Population ('000) (e)	21,803	21,919	22,156	22,181	22,037
(a) Provisional					
(b) Revised					
(c) Total cheques cleared through LPPL					
(d) Transactions carried out at POS terminals					
(e) Based on the summary indicators, 2023, Department of Census and Statistics, Sri Lanka					

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Licensed Service Providers of Payment Cards and Mobile Payment Systems

Table: 28

Licensed Service Providers (As at end Q4 2023)

Institution	Classes of Business						
	Issuer of Payment Cards				Financial Acquirer of Payment Cards	Operator of Customer Account Based Mobile Payment System*	Operator of mobile Phone Based e-money System
	Debit Card	Credit Card	Stored Value Card	Charge Card			
a) Licensed Commercial Banks	18	14	9	-	10	11	-
1 Amana Bank PLC	√						
2 Bank of Ceylon	√	√	√		√	√	
3 Cargills Bank Ltd	√	√	√		√	√	
4 Commercial Bank of Ceylon PLC	√	√	√		√	√	
5 DFCC Bank PLC	√	√			√		
6 Habib Bank Ltd	√						
7 Hatton National Bank PLC	√	√	√		√	√	
8 National Development Bank PLC	√	√	√		√	√	
9 Nations Trust Bank PLC	√	√	√		√	√	
10 Pan Asia Banking Corporation PLC	√	√				√	
11 People's Bank	√	√	√		√	√	
12 Sampath Bank PLC	√	√	√		√	√	
13 Seylan Bank PLC	√	√	√		√	√	
14 Standard Chartered Bank	√	√				√	
15 State Bank of India	√						
16 The Hongkong & Shanghai Banking Corporation Ltd (HSBC)	√	√					
17 Union Bank of Colombo PLC	√	√					
18 MCB Bank Ltd	√						
(b) Licensed Specialised Banks	4	-	1	-	-	1	-
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			
(c) Licensed Finance Companies	10	3	1	-	2	-	-
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	√						
33 Dialog Finance PLC	√				√		
(d) Non-Financial Institutions	-	-	1	-	1	-	2
34 Global Payments Asia - Pacific Lanka (Private) Limited					√		
35 Dialog Axiata PLC			√				√
36 Mobitel (Pvt) Ltd							√
Total	32	17	12	-	13	12	2

*Both 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). e-money Systems also facilitates payment instructions through mobile phone and web based applications.

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Acts

- | | |
|----|--|
| 01 | Central Bank of Sri Lanka Act, No. 16 of 2023 |
| 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 2023 – Liability Manager (LM) Limits in LankaPay Common ATM Switch (CAS) and LankaPay Common Electronic Fund Transfer Switch (CEFTS)
15	Payment and Settlement Systems Circular No. 04 of 2023 - Individual Stored Value Limits, Day Limits and Transaction Limits Applicable for Customer e-Money Accounts

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

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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 Licensed 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 Scrippless Securities Settlement System (SSSS) and Scrippless 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
	September	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 rd 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

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

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
2023	August	Considering the growth of volume and value of transactions carried out through LankaPay Common ATM Switch (CAS) and LankaPay Common Electronic Fund Transfer Switch (CEFTS), CBSL revised the minimum Liability Manager Limits in CAS and CEFTS through the Payment and Settlement Systems Circular No. 03 of 2023.
	September	Central Bank of Sri Lanka Act, No. 16 of 2023; an act to provide for the establishment of the Central Bank of Sri Lanka and to provide for matters connected therewith or incidental thereto, came in to operation repealing the Monetary Law Act, No. 58 of 1949(chapter 422).
	December	Individual stored value limits, day limits and transaction limits applicable for e-money accounts were specified via the Payment and Settlement Systems Circular No. 04 of 2023. LankaPay (Pvt) Ltd (LankaPay), under the guidance of CBSL has implemented the Government Digital Payment Platform (GDPP), via LPOPP, to enable government institutions like local governments to receive payments digitally from the public.

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Cheque realization	Transfer of cash obtained via cheque from the bank on which a cheque is drawn to the bank in which it was deposited.
Clearing house transactions	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.
Customer transactions (RTGS)	Multiple or single customer credit transactions in the RTGS system.
Intra-day Liquidity Facility (ILF)	An intra-day interest free collateralised funding facility provided to participating institutions by the Central Bank to facilitate smooth operations of the RTGS System.
Participating Institutions (for the purpose of SDF and SLF)	All Licensed Commercial Banks (LCBs), Standalone Primary Dealers (the companies appointed as Primary dealers except LCBs) and Employees Provident Fund (EPF).
Repurchase Transactions (Repo)	Transactions under repurchase agreements by which one party agrees to sell Securities to another on an undertaking to buy back such securities on an agreed date on agreed terms.
Standing Deposit Facility (SDF)	A facility provided for participating institutions to deposit any excess funds at the Central Bank at the end of the day.
Standing Lending Facility (SLF)	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.