

13 December 2006

Ref. No. 34/07/029/0001/001

Circular No: RTGS/10/2006

To: All Participants of LankaSettle System

**Standard Times for Settlement of Inter-participant  
Transactions in the LankaSettle System**

A Technical Committee was appointed by the National Payment Council, which consists of representatives of licensed commercial banks, Sri Lanka Banks' Association (Guarantee) Limited, Primary Dealers Association, LankaClear Pvt. Ltd. and Central Bank of Sri Lanka, to propose a set of norms and standards for the conduct of participants of the LankaSettle System, Cheque Imaging and Truncation (CIT) System and Sri Lanka Inter-bank Payments System (SLIPS).

The proposal made by the Technical Committee was discussed at the National Payment Council at its meeting held on October 20, 2006 and it was agreed that the LankaSettle participants should implement the following procedures for settlement of inter-participant transactions:

**a) Forward Value Transactions**

Money market and foreign exchange transactions (rupee leg) entered into between participants for future value dates should be settled early on the value date in the LankaSettle System. Accordingly, the paying participants should ensure settlement of such transactions by 10.00 a.m. on the value date.

**b) Same Day Value Transactions**

The paying participants should ensure the settlement of the same day value transactions for money market and foreign exchange transactions (rupee leg), in the LankaSettle System within two hours of entering into such transactions.

Accordingly, you are hereby informed that the Volume 2 (Payments and Settlements) of the LankaSettle System Rules issued in August 2003 will be amended by inserting annexed section as Section 9 – INTER-PARTICIPANT TRANSACTIONS at the end of the said Volume 2 of the LankaSettle System Rules, with effect from December 15, 2006.

K.R.M. Siriwardhane  
Director/Payments and Settlements

C. Premaratne  
Superintendent of Public Debt

**Amendment to the Volume 2 (Payment and Settlements) of LankaSettle System Rules**

**“9 INTER-PARTICIPANT TRANSACTIONS**

**9.1 Forward Value Transactions**

Money market and foreign exchange transactions (rupee leg) entered into between participants for future value dates should be settled early on the value date in the LankaSettle System. Accordingly, the paying participants should ensure settlement of such transactions by 10.00 a.m. on the value date.

**9.2 Same Day Value Transactions**

The paying participants should ensure the settlement of the same day value transactions for money market and foreign exchange transactions (rupee leg), in the LankaSettle System within two hours of entering into such transactions.”