CENTRAL BANK OF SRI LANKA

15 **September 2026** **GUIDELINE** **No. 01 of 2026**

GUIDELINE ON CREDIT CARD OPERATIONS

1. Legal and Regulatory Authority

This guideline is issued by the Central Bank of Sri Lanka under Section 2.2 of the Financial Consumer Protection Regulation No.1 of 2023 and shall apply to all Licensed Banks (LBs) and Licensed Finance Companies (LFCs) (hereinafter referred to as "Financial Service Provider-FSP") offering credit cards.

Any FSP (hereinafter referred to as "Issuer") enters into a contractual relationship with a cardholder (hereinafter referred to as "the Customer") through the issue of a credit card shall ensure that credit card operations are undertaken in accordance with the following guideline.

2. Objective

The objective of this guideline is to promote fair, transparent, responsible, and customer-centric credit card operations by ensuring clear disclosure of fees, charges, interest rates, billing and repayment terms; responsible assessment of customers' repayment capacity; protection against unfair or misleading practices; secure handling of customer data and transactions; effective resolution of complaints, disputes, fraud claims, and unauthorized transactions; and fair and proportionate collection and recovery practices.

3. Scope

This guideline shall apply to retail credit cards only. Corporate credit cards and other non-interest-bearing credit cards shall not fall within the scope.

4. Definitions

Billing Cycle: The period, usually 28–31 days, between two credit card statements during which all account activity is recorded.

Transaction Date: The date on which a purchase, payment, or other activity is made on the credit card account.

Posted Date: The date on which a transaction is officially recorded and added to the credit card account by the issuer.

Statement Date: The date on which the credit card issuer generates the monthly statement summarizing all account activities of the billing cycle.

Outstanding Balance: The total amount owed by the customer at any point in time, including purchases, cash advances, fees, charges, accrued interest, and any other applicable amounts.

Minimum Payment Requirement: The minimum amount specified in the monthly statement that the customer must pay on or before the due date to keep the account in good standing without accruing interest and avoid late payment fees.

Due Date: The date by which the customer must pay at least the minimum amount due to avoid penalties such as late payment fees.

Payment Date: The day on which the customer pays any amount of the outstanding balance.

Grace Period: The time between the statement date and payment due date during which no interest is charged if the balance is paid in full.

Day Count: The number of calendar days used in calculating interest on outstanding balances.

Credit Limit: The maximum amount of credit a card issuer allows a customer to borrow or spend on the card.

5. Specific Regulatory Requirements

5.1. Credit Card Issuance and Management

5.1.1. Every issuer shall classify and disclose each credit card product under the principal card category designated by the respective card service provider, irrespective of any value-added features, rewards, affinity arrangements, or other product differentiators associated with such product.

5.1.2. Every issuer shall issue credit cards with at least one accessibility feature to prevent discrimination and ensure inclusive access.

5.1.3. Every issuer shall cancel all credit cards that remain inactive (without activation by the card holder for executing transactions) for a period exceeding one (1) year. Prior notice of any such cancellation shall be given, and a corresponding provision shall be incorporated into the issuer's general terms and conditions.

5.1.4. Every issuer shall block all credit cards that remain active but unutilized for a period exceeding one (1) year. Prior notice of any such blocking shall be given, and a corresponding provision shall be incorporated into the issuer's general terms and conditions.

5.1.5. Every issuer shall establish a criterion for sales agents to carry out a reasonable pre-issuance assessment of customers prior to the issuance of credit cards.

5.2. Interest Rate Determination and Methodology

5.2.1. Every issuer shall take necessary actions to increase transparency and clarity of interest rate charged on credit cards.

5.2.2. Every issuer shall adopt a standardized interest rate calculation methodology covering the following areas:

5.2.2.1. Interest shall be calculated on a transaction basis until the payment date only.

5.2.2.2. Interest shall be charged only on the current month's outstanding amounts, and not on transactions executed in subsequent credit cycles.

5.2.2.3. A minimum grace period of twenty-one (21) days shall be provided to customers. Where the outstanding balance is paid in full on or before the due date, no interest shall be charged on such balance, including cash advances. Notwithstanding the above, issuers may determine the applicable grace period at their discretion in respect of corporate credit cards and other non-interest-bearing credit card products, provided that such terms and conditions are clearly disclosed to the cardholder.

5.2.2.4. The transaction date, and not the posted date, shall be considered when calculating the day count for all payments. Issuers shall clearly disclose the applicable payment cut-off times to customers. Where a payment is received after the disclosed cut-off time, such payment may be deemed to have been made on the following day for the purpose of day count calculations and any other applicable timelines.

5.2.2.5. Issuers shall ensure that day counts do not overlap when calculating interest for the same transaction across multiple billing cycles.

5.2.2.6. Interest calculations shall be based on a 365-day year.

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5.3. Payment Requirements and Fees

5.3.1. Every issuer shall ensure disclosure and transparency on the minimum payment requirement in the monthly statement and interest rate that will be charged on the outstanding balance pertaining to the credit card.

5.3.2. Every issuer shall clearly disclose all benefits associated with each credit card in all marketing material and on the issuer's website.

5.3.3. Credit limit enhancements shall be effected only upon the explicit request of the customer. Automatic enhancements are prohibited.

6. Implementation Timeline

Milestone	Requirement	Deadline
Board Approval	Approval of internal policy and implementation plan	30.10.2026
System / Process Readiness	Completion of systems, controls, and staff training	30.12.2026

7. Supervisory Review and Enforcement

Financial Consumer Relations Department may conduct off-site reviews, on-site examinations, thematic reviews, meetings with institutions, or other supervisory assessments to verify compliance. Failure to comply with this guideline may result in regulatory actions available under the applicable Regulation.

8. Effective Date and Review

This guideline shall come into effect on 01.01.2027. Central Bank of Sri Lanka may review, amend, replace, suspend, or withdraw this guideline from time to time, having regard to market developments, supervisory findings, legal changes, international standards, and financial stability considerations.

Dr. P. Nandalal Weerasinghe
Chairman of the Governing Board and
Governor of the Central Bank of Sri Lanka