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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Ref. 34/07/029/0001/002

16 February, 2016

Payments and Settlements System Circular No. 01 of 2016

To: All Participants of LankaSettle System

Recording of Ownership of Government Securities in the LankaSecure Central Depository System

As per LankaSettle System Rules, all LankaSettle Dealer Direct Participants (DDPs) shall act as custodians for their customers to execute transactions through relevant accounts in the LankaSecure. Hence, LankaSettle DDPs shall maintain accounts in respect of each of its customers to hold scripless Government Securities (GS) to which each such customer has title, and record the interests of each such customer in scripless GS. Also, in terms of the custodial responsibility, LankaSettle DDPs are required to promptly and accurately record details of each customer in LankaSecure Central Depository System (CDS) when the customer obtains legal ownership of scripless GS, or any change of ownership or owner details of scripless GS.

However, it has been observed that many LankaSettle DDPs fail to perform their custodial role in compliance with the above rules and regulations relevant to scripless GS in the conduct of their business. The improper recording of scripless GS balances in LankaSecure CDS has led to many enquiries by customers and audit firms from the Public Debt Department, for interpretation of account types under which such balances are indicated in the relevant LankaSecure statements.

In view of the above, all LankaSettle DDPs are requested to strictly adhere to the instructions given in the LankaSettle System Rules (Version 2.1) issued on 01 August 2013 when recording the ownership of scripless GS in the LankaSecure CDS.

The LankaSecure statements issued after March 2016 will indicate the narrations of new account types as given on pages 7 to 10 of Volume 3 of LankaSettle System Rules.

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