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இலங்கை மத்திய வங்கி

CENTRAL BANK OF SRI LANKA

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பன்னாட்டுத் தொழிற்பாட்டுத் திணைக்களம்
INTERNATIONAL OPERATIONS DEPARTMENT

අංක 30, ජනාධිපති මාවත, කොළඹ 01, ශ්‍රී ලංකාව
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No. 30, Janadhipathi Mawatha, Colombo 01, Sri Lanka

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To: Heads of Treasury of All Licensed Commercial Banks and National Savings Bank

Instructions for participating in foreign exchange matching platform

Aiming at improving transparency and enhancing price discovery, the Central Bank of Sri Lanka (CBSL) in consultation with participating banks made arrangements to introduce a foreign exchange (FX) matching platform¹ in the domestic FX market. Accordingly, all Licensed Commercial Banks (LCBs) and National Savings Bank (NSB) (hereinafter referred to as banks) are required to adhere with the following Operating Instructions (OIs) in participating in FX matching platform with effect from 16.01.2025.

01. Introduction

FX matching platform is designed to match buy and sell orders placed by banks. During trading hours, orders are matched based on the **Bid** and **Ask** rates entered by the banks, according to pre-set rules. The rate and volume details of all completed transactions are electronically communicated immediately to all participating banks.

02. FX matching platform trading time, tenor and currency pair

FX matching platform is operating from 8.30 am to 4.30 pm on all business days and trading is limited to the standard “**Spot**” tenor for **US dollar against Sri Lanka rupees** currency pair.

In the event of a technical problem or any emergency, the CBSL may change the above trading hours as necessary with prior notice to banks.

03. Bid/Ask size

Bid/ask size is US dollar 250,000.00 (minimum) and multiples of US dollar 250,000.00 there onwards.

¹ Refers to Bloomberg BMATCH or any similar matching platform implemented in the domestic FX market

04. Deal capturing to the CIMM

All transactions executed through the FX matching platform will be automatically captured in the Central Integrated Market Monitor (CIMM). However, if there is a technical issue in the auto-capturing process, all deals executed through the FX matching platforms must be manually entered to the CIMM. The buying bank is required to confirm the deal after the selling bank enters the deal into the CIMM. This manual entry and confirmation process should be completed within 15 minutes of the execution of the transaction.

05. Amending deals

If there is an amendment to the originally captured deal or an error in a captured deal, the selling bank must manually enter the amended deal into the CIMM. The buying bank is required to confirm the deal. This manual entry and confirmation process should be completed within 15 minutes of the execution of the transaction. However, if banks cancel a deal after execution on the FX matching platform, they must manually delete or reject the said transaction on both the CIMM and the trading platform.

06. Settlement instructions

Banks are required to follow standard settlement procedures after executing the deal on the FX matching platform.

07. Counterparty limits

Banks should ensure the availability of counterparty limits prior to placing an order in the FX matching platform in order to ensure successful execution of the transactions.

Further, all banks participating in the FX matching platform are required to strictly adhere to the principles set forth in the FX Global Code (FXGC) to ensure the highest level of integrity, transparency, and efficiency within the domestic FX market. Any deviation from, or failure to comply with, the principles set forth in the FXGC will be deemed a breach of this OI and will result in the exclusion of the bank from the FX matching platform.



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Central Bank of Sri Lanka