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இலங்கை மத்திய வங்கி

CENTRAL BANK OF SRI LANKA

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Circular No: SSSS/05/2007

Public Debt Department

September 28, 2007

To: All participants of the LankaSettle System

## Central Bank of Sri Lanka Wide Area Network (CBSLNet) based application to record Customer Repositioning Transactions involving Government Securities

You are hereby informed that the Central Bank of Sri Lanka (CBSL) has decided to allow participants of LankaSettle to record both Customer Repo Repositioning transactions (overnight and term repos up to one month) and Customer Outright Repositioning transactions through the Wide Area Network of the Central Bank of Sri Lanka (CBSLNet). Accordingly, amendments to the System Rules of the LankaSettle have been made as per the Circulars No. SSSS/04/2007 and SSSS/06/2007 dated 28 September, 2007. The facility will be available with effect from 01 October, 2007. Operating Instructions applicable for participants of the above scheme are given below.

### Operating Instructions

1. This facility will accommodate transactions relating to Customer Repo Repositioning (overnight and term repos up to one month with auto reversal facility) and Customer Outright Repositioning in which, the face value is Rs.5 million or below. Repositioning transactions exceeding a face value of Rs.5 million, will not be accepted by the system. Participants should use SWIFT for Repositioning transactions that exceed Rs. 5 million. However there is no restriction to participants to use SWIFT for both Customer Repo Repositioning transactions (overnight and term repos up to one month) and Customer Outright Repositioning transactions where the face value is Rs. 5 million or below.
2. Transfers of securities are allowed only from 8.00 a.m. to 4.00 p.m. on valid LankaSecure business days, and, any allowed transaction entered through the CBSLNet after 4.00 p.m. will not be settled.
3. Creation of a security transfer has to be done by one officer and it has to be authorized by another. CBSL will not receive security transfer instructions until a transaction is authorized.

4. Security transfer requests will be uploaded to the LankaSecure for settlement at 9.00 a.m., 3.00 p.m. and 4.00 p.m. on each business day.
  5. New balances will be available to participants only after the particular batch of transactions is loaded and settled in the LankaSecure.
  6. Before a transaction is settled, an authorized officer of the participating institution is able to cancel the transaction if required, through the existing browser workstation.
  7. Once a transaction is settled in the LankaSecure, it is irrevocable.
  8. All unsettled repositioning transactions are cancelled by the system at the end of the day and CBSL is not responsible for such cancellations.
  9. In a situation where the CBSLNet facility is not available due to a technical or a communication failure, participating institutions should use their SWIFT system to make above Repositioning transactions. CBSL would not take the responsibility for any losses that might result due to failures of CBSLNet.
  10. A nominal fee chargeable for providing this trade input facility will be notified later.
  11. The system has a facility to transfer securities between any type of account. However, participants are advised to make repositioning between OWN, CSL, CRE, CRR, CRP and REP account types described in the System Rules of the LankaSettle only.
  12. If a participant fails to record any repositioning using SWIFT messaging system or through CBSLNet in the LankaSettle, non recording transaction charges for unrecorded transactions as per Rule 2.2 of Volume 3 of LankaSettle System Rules will apply.
- **Circular No: SSSS/02/2007 in this regard issued on 23 January 2007 is hereby revoked.**

C. Premaratne  
Superintendent of Public Debt