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## **CBSL successfully completes the process of developing and testing a Blockchain Technology based Shared Know-Your-Customer (KYC) Proof-of-Concept (POC)**

The Report of the Blockchain Technology based Shared KYC POC was presented to the Governor of the Central Bank of Sri Lanka (CBSL) Mr. Ajith Nivard Cabraal by the Chairman of the National Payment Council (NPC), Mrs. Yvette Fernando, Deputy Governor of CBSL on 25 October 2021 amidst attendance of CBSL management and officers, and the virtual participation of CEOs and officers of banks that engaged in POC testing and the three POC development teams.

Previously, the CBSL had selected three (3) applicants to develop the POCs, namely, Sampath Bank jointly with University of Colombo School of Computing (UCSC), Yaala Labs (Pvt) Ltd jointly with Linearsix (Pvt) Ltd, and Norbloc AB from Sweden. The POCs were tested by the CBSL and 10 commercial banks; viz. Amana Bank, Bank of Ceylon, Cargills Bank, Commercial Bank of Ceylon, DFCC Bank, Hatton National Bank, HSBC, National Development Bank, People's Bank and Standard Chartered Bank. The POC deployment and testing phase was successfully completed in June 2021. The findings demonstrated several salient features of Blockchain Technology that enabled

secure and efficient sharing of customer KYC information between banks. In fact, this was a pioneering national project initiated by the CBSL that drew the voluntary participation of the Banking Industry and the Information Technology Industry to collaboratively explore the potential of Blockchain Technology to enable innovations in many financial services.

The purpose of developing a Blockchain Technology based POC of an industry-wide Shared KYC process was to assess the potential to improve customer experience, lower operational costs and reduce the operational risk of banks and other financial institutions. It is expected that digitalization of the KYC process, especially with user friendly and secure designs, would encourage customers to use digital financial services and increase their access to financial services.

The successful completion of the Blockchain Technology based Shared KYC POC signifies an important step in Sri Lanka's journey towards digitalization of financial services as well as increasing access to financial services.