

Recent Payment & Settlement System Developments in Sri Lanka

14th SAARC Payments Council Meeting
Kovalam, India
9 December, 2013



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

TOWARDS PROSPERITY

National Payment & Settlement System of Sri Lanka

Real Time Gross Settlement System

Cheque Imaging and Truncation System

Sri Lanka Interbank Payment System

Card Based Payment Mechanisms

Phone-based payment mechanisms

Internet based payment mechanisms



Developments in RTGS System in 2013

System Rules
was revised

Assessment
against
PFMIs is in
progress

Final
settlement of
ATM
transactions
are effected



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

TOWARDS PROSPERITY

Cheque Imaging and Truncation System

Cheque collecting time

- 3:00 p.m. island-wide

Crediting customer accounts

- 2:30 p.m. next day



Sri Lanka Interbank Payment System

T+0 settlement through RTGS in two cycles per day

Customer convenience was streamlined

Card based payment mechanisms

TLE

- Implemented in March 2013

Transport Card

- Pilot project is in progress

Travel Card

- Banks issue prepaid cards instead of travelers' cheques

Common ATM Switch

- Commenced in July 2013
- Final settlement through RTGS

Regulating the Common ATM Switch

- Two Directions were issued in 2013 with respect to the Common ATM Switch, namely
 - General Direction No. 01 of 2013 – Operations of the Common ATM Switch - was issued to impose certain prudential and obligatory requirements to the operator as well as member banks of CAS.
 - General Direction No. 02 of 2013 – Fees Chargeable on the Transactions effected through the Common ATM Switch - issued to impose upper limits for the fees that can be charged from customers by card issuers and interchange fee that can be charged from card issuers by financial acquirers.



Revision of the Regulation on Payment Cards and Mobile Payment

- The Regulation on payment cards and mobile payment systems was revised *in order to*:
 - streamline the licensing procedure
 - revise regulatory powers relating to enforcing the Regulation
 - change the eligibility criteria to apply for a licence
 - simplify the classification of businesses relating to payment cards and mobile payment systems.
- Existing guidelines are being revised

Strengthening the Regulatory Framework

Following guidelines are being prepared

- Internet Banking Guideline
- Standards for Mobile Point-of-Sales machines



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

TOWARDS PROSPERITY

Actions in pipeline

- Establishing Bank Computer Security Incident Response Team (Bank-csirt) is in progress
- The second phase of Common card and Payment Switch is being developed



Central Bank of Sri Lanka

Thank You !



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

TOWARDS PROSPERITY