

# **Payment & Settlement System Developments in Sri Lanka**

15<sup>TH</sup> SAARC PAYMENTS COUNCIL MEETING  
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# NATIONAL PAYMENT & SETTLEMENT SYSTEM OF SRI LANKA

## Large Value Payment System

Real Time Gross Settlement (RTGS) System

## Retail Payment Systems

Cheque Imaging & Truncation System (CITS)

Sri Lanka Interbank Payment System (SLIPS)

Card based Payment Systems

Phone Based Payment Mechanisms

Internet Based Payments Mechanisms

# MAJOR DEVELOPMENTS IN 2013/2014

## Common Cards and Payment Switch

- The Common ATM Switch (CAS), the first phase of the Common Cards and Payment Switch (CCAPS), was launched in July 2013. At Present, five commercial banks have joined the CAS, connecting about 50% of ATMs in the country.
- Completed the operating process of Common Electronic Fund Transfer Switch (CEFTS), the second phase of CCAPS, to facilitate domestic interbank real time fund transfers.

# STRENGTHENING THE SECURITY OF PAYMENT CARDS

- Mandated the adoption of Terminal Line Encryption (TLE) technology in Point-of-Sale (POS) terminals and accordingly, all financial acquirers completed adoption of TLE by 31 March 2013.
- Initiated action to stop double swiping of payment cards to prevent unauthorized access to card holder information.

# STRENGTHENING THE SECURITY OF PAYMENT CARDS

## Security Measures adopted for card-not present transactions

**3-D Secure**

**SMS Alerts**

**One time Password**

**Transaction Monitoring**

**Fraud detection /prevention systems**

**Transaction Restrictions**

**CVC/CVV2**

**Transaction limits**

**Customer education**

**Supplementary card for Internet payments**

# NEW PRODUCTS

- Issued a NFC based stored value card for fare collection in the public transportation in the western province
- Launched a mobile phone based e-money system by a Licensed Mobile Network Operator in November 2013, increasing the no. of e-money systems to two.
- Licensed Mobile Network Operator upgraded a mobile phone based e-money system to include another mobile network operators to ensure interoperability.

## NEW PRODUCTS CONTD...

- Central Bank approved the proposals submitted by commercial banks to
  - Implement a mobile payment and reload stored value card system for purchases at merchant outlets
  - Introducing card-less transactions through ATMs for inland remittances and inward remittances

# SYSTEM IMPROVEMENTS

- Cut-off time for accepting cheque deposits for T+1 clearing was extended and cut-off time for crediting cheque proceeds to customer account was advanced in order to pass the benefits of technological advancements to the CIT System
- RTGS system was upgraded to 3.7 version to improve efficiency and to add new features to the system



# REGULATORY IMPROVEMENTS IN 2013/2014

The regulatory framework was strengthened by,

- Issuing Directions to regularize the operations to CAS
- Revising the Regulation on payment cards and mobile payment systems
- Revising System Rules of RTGS & SSSS
- Replacing CIT Direction with a new Direction to stipulate new cut-off times

# New Regulatory measures to be adopted

- Messaging Standards for mobile POS terminals to specify minimum security standards for mobile POS machines
- Internet Banking Guideline to ensure security of Internet based transactions

**THANK YOU !**

