



Ref: 34/01/025/0038/001

27 November 2020

To: Chief Executive Officers of All Licensed Banks, Licensed Finance Companies and Licensed Operators of Mobile Phone Based e-Money Systems

Dear Sir/ Madam,

Circular No. 02 of 2019 Establishment of a National Quick Response Code Standard for Local Payments - Addendum 2

Reference is made to Circular No. 02 of 2019 - Establishment of a National Quick Response Code Standard for Local Payments issued on 11.03.2019 and its Addendum 1 issued on 30.10.2019. This document shall be read together with the above Circular and Addendum.

The following shall come into effect from 01 January 2021 with regards to LANKAQR initiated transactions:

1. A maximum convenience fee of Rs.10.00 may only be levied on the customer for payments made to Government entities in circumstances where Government entities are not permitted to pay MDR (Merchant Discount Rate), or any such equivalent fees or charges to the Merchant Acquirer.
2. The convenience fee shall be divided amongst the relevant stakeholders as follows:

Table 1: Distribution of Rs.10.00 convenience fee for transactions made to a government entity (in LKR)

LankaClear (Pvt) Ltd (LCPL) Fee	Issuer Fee	Transaction Acquirer Fee	Merchant Acquirer Fee
0.01	2.50	3.50	3.99

The Issuers shall be allowed to decide whether to levy the entire convenience fee (Rs. 10.00) on to the customer or to bear the convenience fee themselves, fully or partially. However, the allocations given above in Table 1 for LCPL, Transaction Acquirer and Merchant Acquirer shall not be changed.

The Transaction Acquirer Fee and Merchant Acquirer fee shall be distributed by LCPL, in accordance with the allocations provided in above Table 1. The LCPL Fee payment by the Issuer will be added to the existing LankaPay - CEFTS monthly invoice.

3. For donations made to religious establishments, MDR and customer convenience fee shall not be applicable. However, religious establishments that engage in the sale of merchandise shall be issued a separate LANKAQR code which is subject to MDR.
4. The reduction of MDR charges from 1% to 0.5% of the transaction amount, for the period beginning 01.01.2020 and ending 31.12.2020, shall be extended further for a period of six months for LANKAQR initiated transactions. Accordingly, the maximum MDR charges shall remain at 0.5% for the period beginning 01.01.2021 and ending in 30.06.2021.

Yours sincerely,

D Kumaratunge
Director/Payments and Settlements