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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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கொடுப்பனவுகள், தீர்ப்பனவுகள் திணைக்களம்

Payments and Settlements Department

30 October 2019

Ref: 34/01/025/0038/001

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 1

Reference is made to Circular No. 02 of 2019 – Establishment of a National Quick Response Code Standard for Local Payments. This document shall be read as Addendum 1 to the above Circular.

The following shall come into effect from 01 January 2020 with regards to LANKAQR initiated transactions:

1. Government entities shall decide whether to pay a charge (Merchant Discount Rate (MDR)) to their Merchant Acquirers for each transaction, as per the laws and regulations applicable to the particular Government entity.
2. A convenience fee may only be levied on the customer for payments made to Government entities in circumstances where Government entities are not permitted to pay MDR to the Merchant Acquirer and shall be done with special approval from the Central Bank of Sri Lanka.
3. No MDR shall be applicable for the purchase of fuel from authorised dealers.
4. For the purchase of fuel from authorized dealers, a surcharge of not more than 0.5% of the total transaction amount may be levied, at the discretion of the Issuing Bank of the payment instrument. The surcharge shall be distributed among the relevant stakeholders as follows:

Table 1: Distribution of a 0.5% surcharge for the purchase of fuel from authorised dealers*

Transaction Amount x in LKR	LCPL Fee in LKR	Issuer Fee	Transaction Acquirer Fee	Merchant Acquirer Fee
$x \leq 1000$	0.05	Up to 0.13%	0.17% (To be shared with Mobile Application Provider)	0.20% - LCPL Fee
$1000 < x \leq 5000$	0.50			
$5000 < x$	1.50			

* Percentages given in the table are calculated from the total transaction amount (x).

Though the surcharge may vary, the allocation for each stakeholder given above in Table 1 shall not be changed, with the exception of the Issuer fee. However, the Issuers shall be allowed to decide whether to levy the entire surcharge amount on to the customer or to bear the surcharge amount themselves, fully or partially.

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5. The MDR to be a maximum of 0.5% for all transactions, except for transactions in 1 and 3 above, for a period of 12 months.
6. The fee structure defined in Table 1 of Circular No. 02 of 2019, issued on 11 March 2019, shall be replaced with the following table for a period of 12 months, commencing from 01 January 2020, for transactions which are not subject to 1 and 3 above. At the end of 12 months, the distribution of the MDR shall be as per Table 1 in Circular No. 02 of 2019.

*Table 2: Distribution of a 0.5% MDR between all stakeholders***

Transaction Amount x in LKR	LCPL Fee in LKR	Issuer Fee	Transaction Acquirer Fee	Merchant Acquirer Fee
10<=x<=100	0	0.13%	0.17% (To be shared with Mobile Application Provider)	Up to 0.20% (Determined by market forces) - LCPL Fee
100<x<=1000	0.05			
1000<x<=5000	0.50			
5000<x	1.50			

** Percentages given in the table are calculated from the total transaction amount (x).

Though the MDR may vary, the allocation for each stakeholder given above in Table 2 shall not be changed, with the exception of the Merchant Acquirer fee. However, the Merchant Acquirers shall be allowed to decide whether to levy the entire MDR on to the merchant or to bear the MDR themselves, fully or partially. The MDR shall not be recovered from the customer.

7. No proprietary QR codes shall be allowed to operate in the market beyond 01 January 2020, and only LANKAQR Code shall be in operation thereafter.

Yours faithfully,



D. Kumaratunge

Director, Payments and Settlements Department