

## Media Release

24<sup>th</sup> January 2022

---

### Work commences on project to establish a Central Counter Party (CCP) system for the stock market



*Mr. Sunil Lankathilake, Chairman of the joint Committee*

The project to launch a CCP system for equities was formally launched at a Joint Securities and Exchange Commission of Sri Lanka (SEC) – Colombo Stock Exchange (CSE) meeting held at the SEC recently.

The Chairman of the SEC Mr. Viraj Dayaratne PC who chaired the meeting said that he was happy that steady progress was being made on the continuous development of the market infrastructure. He emphasized that this project should also be completed on time in the same way the Delivery vs Payment (DvP) project was completed since this will significantly enhance the post trade risk management of the equity market. He further stated that the new SEC Act has all the enabling provisions to facilitate the implementation of a CCP mechanism.

The meeting was attended by SEC Commissioner Mr. Sunil Lankathilake who is the Chairman of the joint Committee, the Director General of the SEC Mr. Chinthaka Mendis, the Director Surveillance and Acting Director Capital Market Development SEC Mr. Prabash Wanigatunge and senior SEC officials. The CSE was represented by Chairman Mr. Dumith Fernando, CSE Directors Mr. Dilshan Wirasekera and Mr. Suren De Silva, Chief Executive Officer of the CSE Mr. Rajeeva Bandaranaike, the Chief Regulatory Officer Mr. Renuke Wijayawardhane and senior CSE officials.

The Chairman of the Joint committee Mr. Lankathilaka emphasised on the importance of studying the practices adopted in other jurisdictions in facilitating a CCP mechanism in order to identify the most suited model for the Sri Lankan market. Further, he stated that as the next step business model for a CCP system will be finalised based on which a project plan will be developed to ensure the successful implementation of the initiative within a specified time frame.

Mr. Chinthaka Mendis Director General SEC stated that the CCP business model should be developed in a cost effective manner which would benefit all stakeholders in the market.

Mr. Dumith Fernando Chairman CSE commenting on the initiative said that this was part of the plan agreed upon with the SEC to first introduce DvP and then establish a CCP and said that he was satisfied that both phases of the project are getting implemented as scheduled. He further stated that the business model has to be agreed upon and the inception report that was already prepared by the CCP consultants could be utilized for this purpose.

Mr. Rajeeva Bandaranaike Chief Executive Officer CSE made a presentation to the committee covering the overall scope of the CCP implementation.

A CCP can offer significant benefits to the Financial Market in Sri Lanka and can be considered as part of the critical Financial Market Infrastructure that is needed and is of national interest.

**Issued by**

**Tushara Jayaratne**

Director, External Relations and Capital Market Education



Level 28-29, East Tower, World Trade Center

Echelon Square, Colombo 01, Sri Lanka

Phone: (+94 11) 2143843 ext 190

Direct (+94 11) 2143834

Fax : (+94 11) 2439149

E-Mail: tushara@sec.gov.lk

Website: <http://www.sec.gov.lk>

<https://www.facebook.com/secsocialmedia/>

[https://twitter.com/SEC\\_SriLanka](https://twitter.com/SEC_SriLanka)