Media Release

12th June 2024

Colombo:

CSE's Implementation of Shortened Settlement Cycle for Equity Trades Proves Successful.

The Colombo Stock Exchange's (CSE) implementation of the shortened settlement cycle for equity trades has been executed seamlessly with the first settlement under the T+ 2 cycle taking place on 12th June 2024, marking a significant milestone in Sri Lankan Capital Market operations. Investors have experienced swift payment processing, receiving their funds within two days for the first time since the cycle reduction.

Following collaborative efforts with the Securities and Exchange Commission of Sri Lanka (SEC) and industry stakeholders, the transition to a T+2 settlement cycle on June 10th, 2024, has yielded tangible results. Investors now benefit from expedited fund transfers and security exchanges, with transactions settling within a shorter timeframe.

Senior Vice President - Enterprise Risk Management & Post Trade Settlement, Ms. Dulani Warnakulasooriya mentioned, "Moving to a shorter settlement cycle has proved to increase the settlement efficiency. This change will further benefit the market participants by freeing up working capital and lowering the collateral requirements."

The successful implementation of the shortened settlement cycle not only reduces operational risks but also amplifies market liquidity. Further, this achievement underscores the effectiveness of the CSE's strategic initiatives in enhancing investor experience.

For more information visit www.cse.lk

About CSE

The Colombo Stock Exchange (CSE) operates the only stock market in Sri Lanka and is responsible for providing a transparent and regulated environment where companies and investors can come together. The CSE is a company that is limited by guarantee established under the Laws of Sri Lanka. The CSE is licensed by the Securities and Exchange Commission of Sri Lanka (SEC) and is a mutual exchange consisting of 15 Members and 13 Trading Members. All Members and Trading Members are licensed by the SEC to operate as Stockbrokers. For more information, please visit: www.cse.lk.

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