



## Media Release

03<sup>rd</sup> August 2025

**Colombo:**

### **The Colombo Stock Exchange Launches a Central Counterparty (CCP) system.**

The Colombo Stock Exchange (CSE) marked a historic milestone in Sri Lanka's capital market with the launch of a Central Counterparty (CCP) framework for equity transactions, a transformative development that significantly enhances the safety, efficiency, and global competitiveness of the domestic capital market. To commemorate this milestone achievement a special Market Opening Ceremony was held on 1<sup>st</sup> August 2025 at the iconic trading floor at the CSE.

CSE Clear (Pvt) Limited, a fully owned subsidiary of the Colombo Stock Exchange, will serve as the Central Counterparty (CCP) for all equity transactions executed on the CSE and is the licensed clearing house regulated by the Securities and Exchange Commission of Sri Lanka (SEC). The CCP enhances efficiency and trust as investors will have the comfort of finality of settlement and minimising the counterparty risk through the CCP mechanism.

The market opening ceremony was attended by key stakeholders of the capital market including representatives of the Securities and Exchange Commission of Sri Lanka (SEC), Central Bank of Sri Lanka (CBSL), Stock Brokers, custodian banks, and senior officials of CSE, CSE Clear and the CDS.

Delivering the opening Remarks, Mr. Arjuna Herath, Chairman, CSE Clear Pvt. Ltd., stated, "From now on, the CCP will act as the counterparty to both buyers and sellers, ensuring the delivery of securities and funds regardless of individual defaults. The CSE has steadily enhanced its post-trade infrastructure in recent years, starting with Delivery vs. Payment (DVP) in 2021, followed by Stock Borrowing and Lending that same year, regulated short selling in 2024, and the transition to a T+2 settlement cycle. With the launching of a CCP, we are now preparing to introduce derivatives and have already applied for a license from the SEC."

Prof. H. Dissabandara, Chairman, SEC, in his keynotes address said "This achievement is the result of years of collaboration and perseverance between the SEC, CSE, and several key stakeholders, including the World Bank. The regulatory framework, the clearinghouse rules, and the market infrastructure have all been designed in alignment with international best practices, including the Principles for Financial Market Infrastructure set by IOSCO."

He went on to say, “The CCP will bring tangible, immediate benefits to all market participants: Retail investors gain security and confidence from guaranteed settlement, Institutional and foreign investors will be drawn to a safer, more efficient post-trade environment, Brokerage firms will experience smoother clearing processes and reduced risk. And, more broadly, this CCP framework will fortify Sri Lanka’s financial architecture, enabling it to withstand shocks and facilitate innovation”.

Speaking on behalf of CSE, Chairman Mr. Dimuthu Abeysekera, remarked, “The implementation of a CCP marks a defining moment in our journey to elevate Sri Lanka’s capital market infrastructure to globally recognised standards. As a stock exchange, we are already at the forefront in terms of technology, and this framework now brings our post-trade environment on par with leading international markets. It enhances market integrity, reduces systemic risk, and sets the stage for the introduction of new asset classes such as derivatives and futures. Establishing the right infrastructure is a prerequisite for meaningful market development, and this is a bold and strategic step in that direction.”

The launch of the CCP underscores the CSE’s long-term vision to build a resilient, transparent, and globally integrated capital market in Sri Lanka. The CCP framework now serves as a cornerstone in Sri Lanka’s capital market architecture, enabling a new era of growth, innovation, and investor trust.

## **Photograph.**



*(L-R) Ms. Nilupa Perera, Chief Regulatory Officer CSE; Mr. Chandrakanth Jayasinghe, Chief Market Operations Officer CSE; Mr. Gihan Cooray, Chairman CSBA; Mr. Ray Abeywardena, Chairman CDS; Mr. Rajeeva Bandaranaike, CEO CSE; Mr. Dimuthu Abeysekera, Chairman CSE; Prof. H. Dissabandara, Chairman, SEC; Mr. Arjuna Herath, Chairman CSE Clear; Mr. Chinthaka Mendis, DG SEC; Ms. Dulani Warnakulasooriya, Head of CSE Clear; and Ms. Vindhya Jayasekera, CEO Designate CSE.*

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### **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](http://www.cse.lk).

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