

PRESS RELEASE

✉ Communications Department, 30, Janadhipathi Mawatha, Colombo 01, Sri Lanka
☎ +94 11 2477424 / +94 11 2477669 📠 +94 11 2346304
@ communications@cbsl.lk / dcommunications@cbsl.lk 🌐 www.cbsl.gov.lk



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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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Shaping the future of Sri Lanka's domestic foreign exchange market with the FX Global Code

As enunciated in the Central Bank's Annual Policy Statement in January 2024, the domestic foreign exchange (FX) market, mainly comprising the Central Bank of Sri Lanka (CBSL), all Licensed Commercial Banks (LCBs) and the National Savings Bank (NSB), has successfully adopted the FX Global Code (FXGC), thereby adhering to a common set of guidelines to further promote the integrity and effective functioning of the domestic FX market. The adoption of FXGC in the domestic FX market, which stems from an initiative taken by the CBSL and the support from the Sri Lanka Forex Association (SLFA), marks a significant advancement in the domestic FX market.

FXGC is a set of global principles of good practice in the FX market, developed by a partnership between central banks and market participants from twenty jurisdictions around the globe. First launched in 2017, FXGC is aimed at promoting a robust, fair, liquid, open, and appropriately transparent market, which empowers a diverse array of participants to transact confidently and effectively. By ensuring competitive pricing and adherence to high standards of conduct, FXGC transforms the way the FX markets operate.

The adoption of FXGC is expected to further enhance trust among market participants, fostering a more cohesive trading environment in the domestic FX market in Sri Lanka. Additionally, it will encourage best practices in risk management and compliance, which are crucial for the stability and growth of the economy.



The fifty-five principles of FXGC, which encompass the global best practices and processes in the areas of ethics, governance, execution of transactions, information sharing, risk management, compliance, and confirmation and settlement of transactions, are intended to complement, rather than replacing, existing local laws, regulations, and rules.

The Statements of Commitment, by which all LCBs and NSB demonstrate the recognition of, and commitment to adopting the good practices set forth in FXGC, are publicly available on their respective websites. The public register maintained for market participants in the Sri Lankan domestic FX market who have stated their commitment to FXGC can be viewed on the SLFA website via the web link <https://srilankaforex.org/market-participants.php>. The Statement of Commitment of the CBSL can be viewed via the web link <https://www.cbsl.gov.lk/financial-system/financial-markets/adherence-to-fx-global-code>.