

Overcome from the Shadow: Literature Review of Engagement in Digital Payment on SME Lending in Sri Lanka

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Sri Lanka's digital payments have experienced an explosive growth during the last five years. Introduction of new financial services channels, progress of information technology, initiatives by the Central Bank, influx of investments by private individuals and accommodative regulations for digital payments jointly has enabled the country to achieve an explosive development in this sector. This growth has opened up new avenues for SME merchants and their stakeholders in terms of payment acceptance and building better relationships with formal financial institutions based on the historical publications published by various researchers. This paper discusses the role of digital payments industry and mega data analysis in financial services, with an emphasis on SME lending based on the parameters defined by the Central Bank of Sri Lanka. Furthermore, this concept paper highlights the impact of digital payments on the informal financial sector.

Keywords: *Financial Deepening, Financial Liberalisation, Shadow Economy, SME Credit, SME Lending*

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