

Impact of Blockchain Technology on Financial Transparency in Sri Lankan Banks: A Concept Paper

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This concept paper examines the impact of blockchain technology on financial transparency in the banking sector in Sri Lanka. It is worth noting that transparency has been a primary means to enhance credibility and responsibility among financial institutions, especially the global emerging countries such as Sri Lanka. Hence, technology like Blockchain can effectively intervene in the enhancement of transparency. This study uses a mixed research approach including a regression analysis on the transaction database and a series of interviews with practitioners, regulatory authorities and bank personnel to identify the extent to which the blockchain could improve transparency standards in Sri Lankan banks. The enduring implications of the study are likely to reveal how blockchain can benefit financial reporting by increasing accuracy, minimizing fraud, refining regulations, and increasing customer satisfaction by making processes more transparent. Further, the paper examines major issues on technology constraints, regulatory issues, and implications of the adoption of blockchain in a developing economy setting. Further, a set of policy implications based on the findings can be presented to suggest further steps to launch a systemic integration of blockchain into the banking industry of Sri Lanka. Overall, this research adds to the currently scant literature on blockchain implementation in the banking sector, but it prescribes general solutions for implementation in the Sri Lankan context. By so, this can offer recommendations for other new emergent economies on how to apply blockchain technology for improved credibility and openness of the financial sector.

Keywords: Blockchain Technology, Financial Transparency