



MODULE 4: LOCAL PAYMENT INTEGRATION

LESSON 10: Introduction to Local Payment Gateways

Learning Objective

By the end of this lesson, you will understand the different payment options available in Sri Lanka and how to choose the right one for your e-commerce site.

10.1 Payment Landscape in Sri Lanka

Sri Lanka has a unique payment ecosystem with multiple options:

Payment Method	Popularity	Best For	Transaction Fee
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PayHere	Very High	All businesses	2.9% + Rs. 9
FriMi	High	Mobile users	1.5% - 2.5%
Genie	Medium	Dialog customers	2% - 3%
Bank Payments	Medium	Direct transfers	Fixed fees
Cash on Delivery	High	Local delivery	No fee (logistics cost)

10.2 PayHere Overview

PayHere is Sri Lanka's #1 payment gateway. It's perfect for local businesses because:

✓ Multiple Payment Methods:

- All Sri Lankan credit/debit cards
- FriMi, Genie, mCash
- Bank transfers (Direct Entry)
- Visa/Mastercard/Amex
- Digital wallets

✓ Easy Integration:

- Simple API
- Good documentation
- Test mode available
- No monthly fees

✓ Local Support:

- Sri Lankan company
 - Local customer support
 - LKR currency handling
 - VAT/SLAB compliant
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10.3 How Payment Gateways Work

Understanding the flow helps with integration:

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1. User clicks "Pay"
 - ↓
 2. Site sends order details to PayHere
 - ↓
 3. User redirected to PayHere payment page
 - ↓
 4. User completes payment
 - ↓
 5. PayHere sends confirmation back to site
 - ↓
 6. Site shows success/failure page
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10.4 Setting Up PayHere Account

Step 1: Go to payhere.lk

Step 2: Click "Sign Up" (Free for testing)

Step 3: Fill business details:

- Business name: CeylonMart
- Email: your-email@example.com
- Phone: Your Sri Lankan number
- Business type: E-commerce

Step 4: Verify email and phone

Step 5: Get your API credentials:

- Merchant ID
- Secret Key
- App ID

Important: Save these credentials securely. Never share your Secret Key.

10.5 Testing vs Live Mode

PayHere provides two environments:

Mode	Purpose	How to Access
Sandbox (Test)	Development & Testing	Use test credentials
Live	Real payments	Submit documents for approval

Test Card Details:

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Card Number: 4916 9300 0000 0000

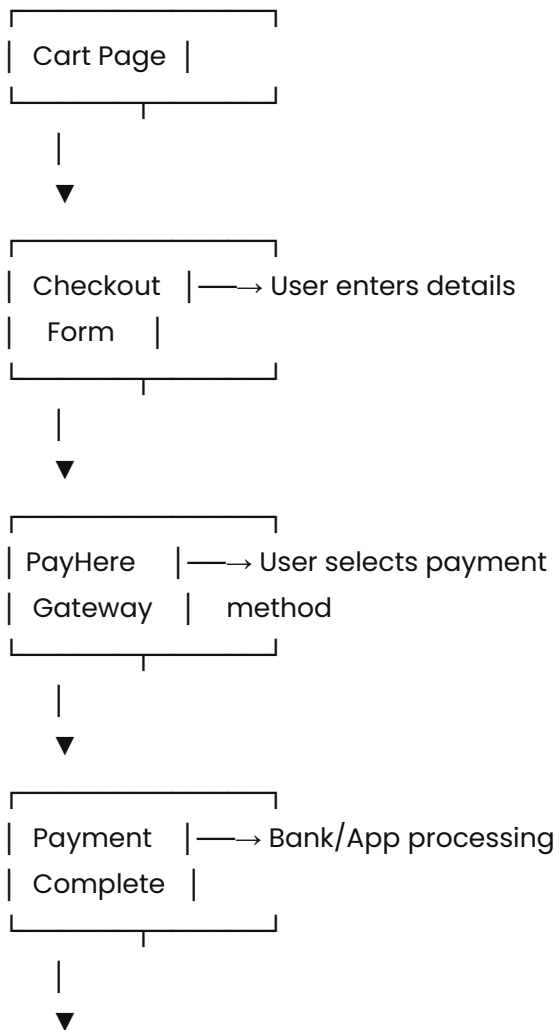
Expiry: Any future date

CVV: 123

OTP: 123456

10.6 Payment Flow Diagram

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Success | —→ Email confirmation
Page | Order saved

Lesson 10 Summary

- PayHere is the best payment gateway for Sri Lankan e-commerce
 - Multiple payment methods increase conversion
 - Always test in sandbox mode first
 - Never expose secret keys in frontend code
 - Understand the payment flow before coding
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Practice Exercises

1. Research other payment gateways available in Sri Lanka
2. Compare transaction fees between PayHere, FriMi, and bank transfers
3. Create a PayHere sandbox account (free)
4. Challenge: Draw your own payment flow diagram for your specific business needs