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Press Release

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The Financial Action Task Force delisted Sri Lanka from the Grey List

The Financial Action Task Force (FATF), the global policy setter on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), has delisted Sri Lanka from FATF's Compliance Document which is more commonly identified as "the Grey List". The decision was taken at the FATF Plenary held during 13-18 October 2019 in Paris.

In October 2016, the FATF announced that Sri Lanka would be subject to a review of the International Co-operation Review Group (ICRG) of the FATF to assess the progress of AML/CFT effectiveness in the country. After several discussions and progress reports, the FATF indicated that Sri Lanka has not made sufficient progress in 4 areas namely, International Co-operation, Supervision, Legal Persons and Arrangements and Targeted Financial Sanctions on Proliferations (North Korea and Iran). As a result, the FATF at its Plenary held in October 2017, listed Sri Lanka as a jurisdiction with strategic AML/CFT deficiencies in the FATF's Compliance Document and provided a time bound Action Plan for implementation. Since the listing, the Financial Intelligence Unit (FIU) together with other stakeholders has taken a series of effective and tangible steps to implement the FATF Action Plan well within the given time frame.

At the Plenary held in February 2019, the FATF made the initial determination that Sri Lanka has completed its Action Plan and warrants an on-site assessment to verify that the implementation of Sri Lanka's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future. However, due to the Easter Sunday attacks on 21 April

2019, the proposed onsite visit during May, 2019 was postponed. The review team visited Sri Lanka during 16-17 September 2019 to assess the progress of implementation. The review team consisted of officials from India (Co-Chair), Australia, Bangladesh, Japan, and Asia Pacific Group on Money Laundering (APG) Secretariat met all relevant stakeholders including private sector to assess that the effective implementation of AML/CFT measures are in place. Further, the team met Hon. Minister of Finance, Mangala Samaraweera to ensure that the necessary high level political commitment remains in place to sustain implementation of AML/CFT measures in the future.

The recommendations made by the review team on Sri Lanka's progress were discussed at the FATF Plenary in October 2019 and all members have endorsed the decision to delist Sri Lanka from the Grey List. It is expected that the delisting by the FATF will have positive economic and financial impact on Sri Lanka.

The implementation of the FATF Action Plan was led by Governor, Central Bank of Sri Lanka as the Chairman of the AML/CFT National Coordinating Committee and officials of the Financial Intelligence Unit. The FIU wishes to appreciate commitment and support shown by all stakeholders in the completion of the FATF Action Plan within the given time frame and expect that the FIU will continue to receive the support from all stakeholders to further strengthen the effective implementation of AML/CFT measures in the Country.

The full statement made by FATF on Sri Lanka is as follows:

The FATF welcomes Sri Lanka's significant progress in improving its AML/CFT regime and notes that Sri Lanka has strengthened the effectiveness of its AML/CFT regime and addressed related technical deficiencies to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in November 2017. Sri Lanka is therefore no longer subject to the FATF's monitoring process under its ongoing global AML/CFT compliance process. Sri Lanka will continue to work with APG to improve further its AML/CFT regime