

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Issued By Financial Intelligence Unit

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Imposition of Penalties to Enforce Compliance on Financial Institutions during the First Quarter of 2021 by the Financial Intelligence Unit (FIU)

By virtue of the powers vested under Section 19 (1) read together with section 19 (2) of the Financial Transactions Reporting Act, No. 06 of 2006 (FTRA), financial penalties are imposed on Institutions for non-compliance with the provisions of the FTRA. The penalty may be prescribed taking into consideration the nature and gravity of relevant non-compliance of the Financial Institution or the Designated Non-Finance Business.

Accordingly, as the regulator for Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) in the country, the FIU imposed penalties, totaling to Rs. 4.0 million for the period from 1 January 2021 to 31 March 2021 to enforce compliance on Financial Institutions.

Penalties were imposed mainly on the violations of Financial Institutions (Customer Due Diligence) Rules, No. 1 of 2016 in relation to the United Nations sanctions screening, customer identification and verification, Suspicious Transactions Reporting and implementation of proper risk controls and mitigation measures.

Details of the penalties imposed by the FIU from 1 January 2021 to 31 March 2021 are as follows.

Date of Imposition	Institution	Amount (LKR)
20 January 2021	Kanrich Finance Ltd	1,000,000.00
18 February 2021	Commercial Bank of Ceylon PLC	3,000,000.00