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Press Release

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Financial Intelligence Unit

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Memorandum of Understanding between the Financial Intelligence Units of the Bank Negara Malaysia and the Central Bank of Sri Lanka

The Financial Intelligence Unit of the Central Bank of Sri Lanka (CBSL) recently signed a Memorandum of Understanding with the Financial Intelligence Unit of the Central Bank of Malaysia i.e. Bank Negara, Malaysia for the exchange of information on a regular basis to facilitate the investigation and prosecution of persons suspected of money laundering or financing of terrorism. The MOU was signed by the Deputy Governors of the two Central Banks Dr. Ranee Jayamaha, on behalf of the CBSL, and Mr. Dato' Zamani Abdul Ghani, on behalf of Bank Negara.

Financial Intelligence Units (FIUs), have been established by many countries as dedicated institutions to collect, analyse and disseminate financial information from mandated institutions to combat money laundering and terrorist financing operations conducted through the financial systems. In Sri Lanka the FIU was established in 2006, under the Financial Transactions Reporting Act No.6 of 2006 with regulatory powers to formulate policies and guideline to meet the recommendations of the Financial Actions Task Force initiated by the G7 countries on Anti-Money Laundering and Combating Financing of Terrorism.

The arrangement for sharing of information has been set out by the Financial Transaction Reporting Act No. 6 of 2006 where the agreement on the exchange of information on a regular basis could be entered into with other jurisdictions. The signing of the MOU document has

complemented Sri Lanka's endeavour to deal with money laundering and terrorism and supplements the international efforts aimed at achieving the same objectives.

Sharing vital information facilitates the investigation and prosecution of persons suspected of money laundering and terrorist financing activities which is mutually beneficial to Sri Lanka and Malaysia, thereby contributing to achieve the main objective of safeguarding the financial system from being used for unlawful activities. FIUs vary from country to country, but all of them share 3 core functions which are to receive, analyse and disseminate information in order to combat Money Laundering and Terrorist Financing. Further such functions are required to be undertaken both domestically and internationally. Since money laundering is often a cross-border activity, there is a need for FIUs to join forces with other intelligence units and co-operate with each other to exchange information among regulatory institutions. Accordingly, the CBSL is making arrangements to sign similar MOUs with the other FIUs in the region as well.