

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Issued By Financial Intelligence Unit

Date 20 July 2021

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

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.

Accordingly, as Sri Lanka's regulator for Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), the FIU imposed penalties, amounting to Rs. 3.0 million in total for the period from 1 April 2021 to 30 June 2021 to enforce compliance on Financial Institutions. The money collected as penalties were credited to the Consolidated Fund.

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, ongoing scrutiny of transactions undertaken throughout the course of the business relationship with a customer, establishing and maintaining procedures and systems to ensure the process of monitoring and implementing proper risk controls and mitigation measures.

Details of the penalties imposed by the FIU from 1 April 2021 to 30 June 2021 are as follows.

Date of Imposition	Institution	Amount (LKR)
28 May 2021	Union Bank of Colombo PLC	2,000,000.00
31 May 2021	DFCC Bank PLC	1,000,000.00

