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நிதியியல் உளவறிதல் பிரிவு

FINANCIAL INTELLIGENCE UNIT

NOTICE TO THE CUSTOMERS OF FINANCIAL INSTITUTIONS

- Licensed Commercial Banks / Licensed Specialized Banks / Licensed Finance Companies
- Stock Broking Companies
- Money or Value Transfer Service Providers (e.g., mobile money operators, money remitters)

Customer Due Diligence (CDD), commonly known as Know Your Customer (KYC), is a process where customers provide information about themselves and their transactions to the banks or any other financial institution. The laws and regulations* of Sri Lanka to combat money laundering and financing of terrorism, require financial institutions to conduct CDD before entering into business relationships with their customers as well as review and update the information periodically to prevent misuse of the financial system by criminals/ terrorist financiers.

At minimum, the following information has to be provided by the customers.

• Full name	• Details relating to business or employer
• Date of Birth, nationality	• Expected monthly income
• Official personal identification or any other identification document that bears a photograph of the customer or beneficial owner (e.g., the National Identity Card, passport or driving licence)	• Expected mode of transactions (e.g., cash, cheque, etc.)
• Address	• Sources of earnings
• Purpose of opening the account	• Details of the beneficial owners and Politically Exposed Persons status where necessary
• Additional information to conduct Ongoing Due Diligence and Enhanced Due Diligence when needed	

Minimum information to be provided would depend on the type of customer (e.g., individual, company, partnership, charitable organisations).

The Financial Action Task Force (FATF), as the international policy setter for anti money laundering and countering the financing of terrorism (AML/CFT), has issued 40 Recommendations that countries should adhere to including CDD requirements. Accordingly, as the focal point for AML/CFT in Sri Lanka, the Financial Intelligence Unit (FIU) issues rules on AML/CFT.

The collection of identification and other basic details about customers of financial institution is a globally accepted practice. Hence, the support and co-operation of customers of all financial institutions is solicited.

* Financial Transactions Reporting Act, No. 06 of 2006 and Financial Institutions (Customer Due Diligence) Rules, No. 1 of 2016.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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