

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Issued By Financial Intelligence Unit

Date 06 August 2025

Administrative Penalties imposed by the Financial Intelligence Unit (FIU) on Reporting Institutions from January to June 2025

By virtue of the powers vested under Section 19 (1) read together with section 19 (2) of the Financial Transactions Reporting Act, No. 6 of 2006 (FTRA), financial penalties are imposed on Institutions for non-compliance with the provisions of the FTRA. The penalty may be prescribed by taking into consideration the nature and gravity of relevant non-compliances of the Institutions.

Accordingly, as Sri Lanka's regulator for Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), the FIU collected penalties as indicated below, amounting to Six Million and Five Hundred Thousand Rupees (Rs. 6,500,000) in total from January to June 2025 to enforce compliance on Institutions. The money collected as penalties was credited to the Consolidated Fund.

1. National Savings Bank

Date of Imposition : April 16, 2025

Amount : LKR 3,500,000.00 (Three Million and Five
Hundred Thousand Rupees)

Date of Payment : May 02, 2025

Reasons for the imposition of the penalty:

The administrative penalty was imposed for the failure of the Bank to adhere to the FTRA, and rules, regulations and directives issued thereunder as follows;

- i. The Bank had failed to report several cash transactions and Electronic Fund Transfer (EFT) transactions, where the amount of such transactions exceeded Rupees One Million (Rs. 1,000,000) or its equivalent in any foreign currency, to the FIU, within the specified period of 31 days.
- ii. The Bank had failed to maintain complete lists of designated persons, groups and entities issued under United Nations Regulations, No. 1 of 2012 (United Nations

Security Council Resolution (UNSCR) 1373), and United Nations (Sanctions in relation to Democratic People's Republic of Korea) Regulations of 2017 (UNSCR 1718) as of the examination date.

- iii. The Bank had failed to comply with the suspension orders issued by the FIU and subsequently extended by the High Court of the Western Province, holden in Colombo, by conducting debit transactions through several suspended accounts.
- iv. Although the above lapses in systems and procedures were observed, instances of business relationships with designated persons, groups and entities maintained by the Bank were not revealed during the on-site examination.

2. Bally's Limited

Date of Imposition : March 28, 2025
Amount : LKR 1,500,000.00 (One Million and Five Hundred Thousand Rupees)
Date of Payment : April 29, 2025

Reasons for the imposition of the penalty:

The administrative penalty was imposed for the failure of the Company to adhere to the FTRA, and rules, regulations and directives issued thereunder as follows;

- i. The Company had failed to take adequate Customer Due Diligence (CDD) measures for the purpose of identifying, assessing and managing Money Laundering and Terrorist Financing (ML/TF) risk, based on the risk-based approach.
- ii. The Company had failed to obtain a copy of the identification document from the customers who have established business relationships through the online platforms.
- iii. The Company had failed to verify the customers against the designated persons, groups and entities issued under UNSCRs, at the time of establishing business relationship. Further, the Company had failed to implement any mechanism to verify the existing customers when designated lists are updated.
- iv. The Company had failed to establish procedures to monitor the transactions and identify the suspicious transactions.
- v. The Company had failed to maintain and retain records of the business correspondence relating to transactions and documents obtained during the CDD process and records of identification documents.

- vi. Although the above lapses in systems and procedures were observed, instances of business relationships with designated persons, groups and entities maintained by the Company were not revealed during the on-site examination.

3. Bellagio Limited

Date of Imposition : March 28, 2025
Amount : LKR 1,500,000.00 (One Million and Five Hundred Thousand Rupees)
Date of Payment : April 29, 2025

Reasons for the imposition of the penalty:

The administrative penalty was imposed for the failure of the Company to adhere to the FTRA, and rules, regulations and directives issued thereunder as follows;

- i. The Company had failed to take adequate CDD measures for the purpose of identifying, assessing and managing ML/TF risk, based on the risk-based approach.
- ii. The Company had failed to obtain a copy of the identification document from the customers who have established business relationships through the online platforms.
- iii. The Company had failed to verify the customers against the designated persons, groups and entities issued under UNSCRs, at the time of establishing business relationship. Further, the Company had failed to implement any mechanism to verify the existing customers when designated lists are updated.
- iv. The Company had failed to establish procedures to monitor the transactions and identify the suspicious transactions.
- v. The Company had failed to maintain and retain records of the business correspondence relating to transactions and documents obtained during the CDD process and records of identification documents.
- vi. Although the above lapses in systems and procedures were observed, instances of business relationships with designated persons, groups and entities maintained by the Company were not revealed during the on-site examination.