

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Issued By Financial Intelligence Unit

Date 24 December 2025

Administrative Penalties imposed by the Financial Intelligence Unit on Reporting Institutions from July to September 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. In terms 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 Financial Intelligence Unit (FIU) collected penalties as indicated below, amounting to Nine Million and Five Hundred Thousand Rupees (Rs. 9,500,000) in total, from July to September 2025, to enforce compliance of the Institutions. The money collected as penalties was credited to the Consolidated Fund.

Reporting Institution	Details of Penalties and Non-Compliances
LOLC Finance PLC	<p>Date of Imposition : 01.07.2025</p> <p>Amount : LKR 2,000,000.00 (Two Million Rupees)</p> <p>Date of Payment : 16.07.2025</p> <p>Reasons for the imposition of the penalty: The administrative penalty was imposed as the Company had failed to,</p> <ol style="list-style-type: none">report thirteen (13) Electronic Fund Transfer (EFT) transactions of the sample obtained during the examination, where the amount of such transfers exceeded Rupees One Million (Rs. 1,000,000) or its equivalent in any foreign currency, to the FIU, within the specified period, andcomply 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 a suspended account.

Fintrex Finance PLC	<p>Date of Imposition : 07.07.2025</p> <p>Amount : LKR 1,000,000.00 (One Million Rupees)</p> <p>Date of Payment : 23.07.2025</p> <p>Reasons for the imposition of the penalty: The administrative penalty was imposed as the Company had failed to report five (5) EFT transactions of the sample obtained during the examination, where the amount of such transfers exceeded Rupees One Million (Rs. 1,000,000) or its equivalent in any foreign currency, to the FIU, within the specified period.</p>
Rank Entertainment (Pvt) Ltd (Casino Marina)	<p>Date of Imposition : 04.08.2025</p> <p>Amount : LKR 500,000.00 (Five Hundred Thousand Rupees)</p> <p>Date of Payment : 27.08.2025</p> <p>Reasons for the imposition of the penalty: The administrative penalty was imposed as the Company had failed to,</p> <ol style="list-style-type: none"> maintain list of designated persons, groups and entities issued under the United Nations Regulations No. 1 of 2012 pursuant to the United Nations Security Council Resolution (UNSCR) 1373, and implement a mechanism to verify existing customers when list of designated persons, groups and entities issued under UNSCRs being updated. <p>Although the above lapses in systems and procedures were observed, instances of business relationships with designated individuals or entities maintained by the Company were not revealed during the on-site examination.</p>
Pan Asia Banking Corporation PLC	<p>Date of Imposition : 22.08.2025</p> <p>Amount : LKR 1,000,000.00 (One Million Rupees)</p> <p>Date of Payment : 08.09.2025</p> <p>Reasons for the imposition of the penalty: The administrative penalty was imposed as the Bank had failed to,</p> <ol style="list-style-type: none"> verify the customers against the lists of designated persons, groups and entities issued under the United Nations Regulations, No. 1 of 2012 using the National Identity Card number or Passport number through the Bank's Targeted Financial Sanction (TFS) verification system, and verify the customers against the lists of designated persons, groups and entities issued under the United Nations Regulations, No. 1 of 2012, the United Nations Regulations, No. 2 of 2012 and the United Nations (Sanctions in relation to Democratic People's Republic of Korea) Regulations of 2017 using only a part of the name. <p>Although the above lapses in systems and procedures were observed, instances of business relationships with designated individuals or entities maintained by the Bank</p>

	were not revealed during the on-site examination.
Bullion Exchange	<p>Date of Imposition : 02.09.2025</p> <p>Amount : LKR 2,000,000.00 (Two Million Rupees)</p> <p>Date of Payment : 25.09.2025</p> <p>Reasons for the imposition of the penalty: The administrative penalty was imposed as the Institution had failed to,</p> <ol style="list-style-type: none"> formulate an internal Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Policy; establish and implement detailed controls and procedures to, <ul style="list-style-type: none"> identify and report suspicious transactions, conduct independent audits to test procedures and systems of the Institution, for the compliance with provisions of FTRA and rules, regulations and directives issued thereunder, make its officers and employees aware of the laws relating to ML/TF, and screen all persons before hiring them as employees; verify the prospective customers and beneficiaries and existing customers against lists of designated persons, groups and entities issued under UNSCRs. <p>Although the above lapses in systems and procedures were observed, instances of business relationships with designated individuals or entities maintained by the Institution were not revealed during the on-site examination.</p>
National Development Bank PLC	<p>Date of Imposition : 04.09.2025</p> <p>Amount : LKR 1,000,000.00 (One Million Rupees)</p> <p>Date of Payment : 12.09.2025</p> <p>Reasons for the imposition of the penalty: The administrative penalty was imposed as the Bank had failed to,</p> <ol style="list-style-type: none"> resubmit a significant number of cash transactions and EFT transactions where the amount of such transfers exceeded Rupees One Million (Rs. 1,000,000) or its equivalent in any foreign currency, which were rejected due to issues or errors in the submitted transaction data, to the FIU, within the specified period, and report transactions relating to leasing repayments exceeding Rupees One Million (Rs. 1,000,000) or its equivalent in any foreign currency, to the FIU, within the specified period.
Mobitel (Pvt) Ltd	<p>Date of Imposition : 12.09.2025</p> <p>Amount : LKR 2,000,000.00 (Two Million Rupees)</p> <p>Date of Payment : 29.09.2025</p> <p>Reasons for the imposition of the penalty: The administrative penalty was imposed</p>

	<p>as the Company had failed to,</p> <ul style="list-style-type: none"> i. conduct Money Laundering (ML) and Terrorist Financing (TF) risk assessment for mCash operations of the Company, and ii. maintain updated lists of designated persons, groups and entities issued under UNSCRs, in the Company's TFS verification system. <p>Although the above lapses in systems and procedures were observed, instances of business relationships with designated individuals or entities maintained by the Company were not revealed during the on-site examination.</p>
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