

PRESS RELEASE

✉ Communications Department, 30, Janadhipathi Mawatha, Colombo 01, Sri Lanka
☎ +94 11 2477424 / +94 11 2477669 📠 +94 11 2346304
📧 communications@cbsl.lk / dcommunications@cbsl.lk 🌐 www.cbsl.gov.lk



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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Issued By Financial Intelligence Unit

Date 17 October 2023

Imposition/ Collection of Administrative Penalties by the Financial Intelligence Unit (FIU) to Enforce Compliance on Financial Institutions from 01 April 2023 to 26 September 2023.

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 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 collected penalties as indicated below, amounting to Rs. 1.7 million in total from 01 April 2023 to 26 September 2023 to enforce compliance on Financial Institutions. The money collected as penalties were credited to the Consolidated Fund.

The administrative penalties were imposed for failure to adhere to FTRA in relation to reporting of financial transactions.

1. Merchant Bank of Sri Lanka & Finance PLC

Date of Imposition : 12 July 2023
Amount : LKR 300,000.00 (Rupees three hundred thousand)
Date of Payment : 10 August 2023

Reason for the imposition of the penalty:

The company had failed to comply with Section 6 of FTRA by not reporting pawning auction transactions exceeding Rupees One Million (Rs. 1,000,000.00).

2. Vallibel Finance PLC

Date of Imposition : 12 July 2023
Amount : LKR 200,000.00 (Rupees two hundred thousand)
Date of Payment : 14 August 2023

Reason for the imposition of the penalty:

The company had failed to adhere to Section 6 of the FTRA by not reporting transactions

relating to the granting of gold loan facilities exceeding one million rupees (Rs. 1,000,000.00).

3. LB Finance PLC

Date of Imposition : 09 August 2023
Amount : LKR 700,000.00 (Rupees seven hundred thousand)
Date of Payment : 12 September 2023

Reason for the imposition of the penalty:

The company had failed to comply with Section 6 of FTRA by not reporting pawning auction transactions exceeding Rupees One Million (Rs. 1,000,000.00) conducted as bulk transactions [consisting of the sum of many individual transactions] or as single transactions.

4. People's Leasing & Finance PLC

Date of Imposition : 18 August 2023
Amount : LKR 500,000.00 (Rupees five hundred thousand)
Date of Payment : 14 September 2023

Reason for the imposition of the penalty:

The company had failed to comply with Section 6 of FTRA by not reporting electronic fund transfer relating to opening of a fixed deposit exceeding Rupees One Million (Rs. 1,000,000.00).