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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

இலா உத்திம சீககட

நிதியியல் உளவறிதல் பிரிவு

Financial Intelligence Unit

October 25, 2017

To: CEOs of Reporting Institutions,

Dear Sir/Madam,

Re-establishment of Link between Banks of Iran and Sri Lanka

The Economic Affairs and Trade Division of the Ministry of Foreign Affairs has forwarded the Financial Intelligence Unit, a note with certain outcomes of a discussion that took place between officials of the US Department of Treasury and the Embassy of Sri Lanka in Washington D.C., USA on October 06, 2017, and the extracts of the said note that may be relevant to you are attached.

Yours faithfully,

Director
Financial Intelligence Unit

Cc : Compliance Officer

ANNEXURE

The outcomes of the meeting held on October 06, 2017 with the Officials of the Terrorist Financing and Financial Crimes Section of the US Department of Treasury is as follows:

- (a) The US authorities have made slight changes to the US sanctions against Iran by introducing certain flexibilities on humanitarian grounds and on food items. US government will authorize such trade transactions on a case by case basis.
- (b) Trading of some listed items, such as aircrafts & aviation equipment and weapons, etc. are restricted. The US Treasury will send the Embassy the list of banned items shortly, which will be shared with you upon receipt.
- (c) Goods for humanitarian assistance and food items are allowed for trade between Iran and other countries. However, the US Department of treasury is closely monitoring the transactions to avoid funding for terrorist activities. Therefore, Reporting Institutions are required to verify the complete details of the buyers/exporters in Iran from the Embassy of Sri Lanka in Iran and subsequently the same information should be notified to the FIU-Sri Lanka and Ministry of Foreign Affairs of Sri Lanka. The objective is to verify that such companies are not involved in funding terrorism or similar activities.

However, even after clearance from the US Treasury, involvement of the US banks in transactions is restricted. Therefore, to carry out the transactions through the banks in Europe in Euros is the only option to make payments. Moreover, the US Treasury does not have any objection to financial transactions through European banks, if those transactions do not violate the regulations (sanctions) introduced by the US government.