

Cabinet approves comprehensive national policy to combat money laundering, terror financing

Wednesday, 9 August 2023 00:05 - - 27

- **Policy unfolds series of strategic plans designed to tackle identified vulnerabilities to prevent money laundering, terrorist financing**
- **Sri Lanka poised to undergo third mutual evaluation by Asia Pacific Regional Group on Money Laundering in 2025**

The Cabinet of Ministers this week approved the implementation of the Anti-Money Laundering and Countering the Financing of Terrorism National Policy 2023-2028 to fortify the country's financial integrity and security.

This strategic initiative, presented by President in his capacity as the Finance, Economic Stabilisation, and National Policies Minister seeks to address vulnerabilities and strengthen the framework for curbing money laundering and combating the financing of terrorism in Sri Lanka.

The policy's implementation is poised to be a comprehensive response to the multifaceted challenges posed by financial malfeasance and unlawful funding mechanisms. Rooted in a meticulous analysis of the local landscape, the policy unfolds a series of strategic action plans meticulously designed to tackle the identified vulnerabilities in the prevention of money laundering and the thwarting of terrorist financing.

Central to this formidable endeavour is the steadfast role of the Financial Intelligence Unit, established by the provisions outlined in the Financial Transactions Reporting Act, No. 6 of 2006. Operating under the auspices of the Central Bank, this unit plays a pivotal role in enforcing the stipulations designed to deter money laundering, terrorist financing, and other illicit activities outlined within the Act.

Guiding the actions on an international scale is the Financial Action Task Force (FATF), an intergovernmental entity that sets global standards aimed at combatting money laundering and the financing of terrorism. The FATF has devised a comprehensive set of 40 recommendations, intended to be adopted and implemented by all nations. Within this framework, the Asia Pacific Regional Group on Money Laundering, serving as the regional counterpart of the FATF, conducts assessments to gauge a country's compliance with these recommendations.

As part of this global evaluative process, Sri Lanka is poised to undergo its third mutual evaluation by the Asia Pacific Regional Group on Money Laundering. This rigorous assessment is slated to commence in March 2025 and will provide a comprehensive overview of Sri Lanka's adherence to the FATF recommendations.



Minister Bandula Gunawardena