

**Presentation for National Financial Inclusion Strategy Management Committee on Sri Lanka's Money Laundering and Terrorist Financing National Risk Assessment 2021/2022 and Financial Inclusion Product Risk Assessment**

Aimed at ensuring awareness on recently released National Risk Assessment (NRA) on money laundering and terrorist financing (ML/TF) with emphasis on results of Financial Inclusion Product Risk Assessment, Financial Intelligence Unit (FIU) made a presentation on Sri Lanka's Money Laundering and Terrorist Financing National Risk Assessment 2021/2022 and Financial Inclusion Product Risk Assessment (FIPRA) on December 14, 2023, at the Management Committee (MC) Meeting of National Financial Inclusion Strategy (NFIS) held at the Central Bank Head Office.

Sri Lanka's National Financial Inclusion Strategy (NFIS) which was implemented in 2021 with the aim of making financial services more accessible, efficient, and affordable for all households and businesses in the country signifies the multi-stakeholder effort supported by the government of Sri Lanka to ensure usage and full financial inclusion in the country. The NFIS was a joint effort led by the Central Bank of Sri Lanka with technical and financial assistance from International Finance Corporation (IFC). The NFIS management Committee consists of representatives from regulatory Departments of Central Bank including Bank Supervision, Supervision of Non-Bank Financial Institutions, Payments and Settlements and other stakeholders including Ministry of industries, Insurance Regulatory Commission of Sri Lanka, Securities and Exchange Commission, Department of Agrarian Development, Ministry of Women, Child Affairs and Social Empowerment, Ministry of Education, Credit Information Bureau, Telecommunication Regulatory Commission of Sri Lanka, Sri Lanka Samurdhi Authority, of Sri Lanka and Ministry of Transport and Highways. The NFIS MC meeting is chaired by Mrs. T M J Y P Fernando, Deputy Governor of the Central Bank of Sri Lanka. Mrs. Theja Pathberiya, Deputy Director of FIU and Ms. Sajini Chandrasekara, Assistant Director of FIU represented the FIU at the meeting as working committee members of NFIS.

Ms. Sajini Chandrasekara made the presentation at the MC meeting focusing on promoting awareness on most significant threats related to ML/TF as highlighted in NRA, country's obligations to implement a robust AML/CFT system, Financial Inclusion Product Risk Assessment and gaps and recommendations arising from the FIPRA. Ms. Chandrasekara elucidated FIU's commitment to achieve the NFIS action plan as a key stakeholder in the Digital Finance & Payments cluster of the NFIS and conducting NRA as one of the major action items in FIU's shared objectives under NFIS as well.



While discoursing Sri Lanka’s ML/TF national risk assessment, she presented the most significant ML/TF threats, vulnerabilities and risks faced by the country. She disseminated extensive information on recently completed ML/TF NRA as a critical tool in identifying specific risks associated with ML and TF within the country as a basis to implement a robust risk-based approach for AML/CFT. She highlighted drug trafficking, bribery and corruption, customs related offences including trade-based proceeds as the most prevalent predicate offences and money laundering threat of country which was rated as medium high. Moreover, she shared the objectives, framework, scope and results of FIPRA which was conducted as part of the NRA. Ms. Chandrasekara highlighted one of the shared objectives of national AML/CFT policy and NFIS is facilitating implementation of NFIS and achieving inclusive financial integrity. She further elaborated the importance of enhancing cooperation among authorities to promote awareness on their obligations and necessary reforms which call out consorted efforts of all stakeholders for effective implementation of recommendations of the NRA. She concluded by emphasizing the importance of inter-agency cooperation at a country policy level, which would support to achieve shared objectives of inclusive financial integrity.