

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Issued By Financial Intelligence Unit

Date 26 November 2024

Administrative Penalties imposed by the Financial Intelligence Unit (FIU) on Reporting Institutions from May to October 2024.

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), 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 Institutions.

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 two million seven hundred and fifty thousand rupees (Rs. 2,750,000.00) in total from May to October 2024 to enforce compliance on Institutions. The money collected as penalties was credited to the Consolidated Fund.

1. MCB Bank Ltd

Date of Imposition	:	26 July 2024
Amount	:	LKR 1,000,000.00 (Rupees One Million)
Date of Payment	:	08 August 2024

Reason for the imposition of the penalty:

The administrative penalty was imposed for the failure of the Bank to adhere to the FTRA, and rules, regulations and directives issued thereunder as follows;

- i. The Bank had failed to report some Electronic Fund Transfer (EFT) transactions related to trade finance, where the amount of such transfer exceeds Rupees One Million (Rs. 1,000,000) or its equivalent in any foreign currency to the FIU, as required by the Financial Transactions Reporting Regulations, No. 1 of 2008 issued in terms of Section 6(b) of the FTRA.

2. Bank of China Ltd

Date of Imposition : 10 September 2024

Amount : LKR 1,000,000.00 (Rupees One Million)

Date of Payment : 20 September 2024

Reason for the imposition of the penalty:

The administrative penalty was imposed for the failure of the Bank to adhere to the FTRA, and rules, regulations and directives issued thereunder as follows;

- i. The Bank had failed to report some Electronic Fund Transfer (EFT) transactions where the amount of such transfer exceeds Rupees One Million (Rs. 1,000,000) or its equivalent in any foreign currency to the FIU, as required by the Financial Transactions Reporting Regulations, No. 1 of 2008 issued in terms of Section 6(b) of the FTRA.

3. Vogue Jewellers (Pvt) Ltd

Date of Imposition : 02 October 2024

Amount : LKR 750,000.00 (Rupees Seven Hundred and Fifty Thousand)

Date of Payment : 10 October 2024

Reason for the imposition of the penalty:

The administrative penalty was imposed for the failure of the Company to adhere to the FTRA, and rules, regulations and directives issued thereunder as follows;

- i. The Company had failed to obtain identification documents of customers who conducted cash transactions in Sri Lankan Rupees or in any foreign currency equivalent to or above United States Dollars 15,000 as required by the Section 2(2) of the FTRA, Rules 9(2)(b), 10(a) and 11 of the Designated Non-Finance Business (Customer Due Diligence) Rules, No. 1 of 2018 (CDD Rules).
- ii. Further, the Company had failed to maintain and retain records of identification documents of customers as required by the Section 4(1)(b) of the FTRA and Rule 38(1) of the CDD Rules.