





Sri Lanka's Money Laundering, Terrorist Financing risk assessed as 'medium': Financial Intelligence Unit

15 September 2023 12:00 am  -0  -17413
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ML risk on financial and designated non-financial businesses and professions sectors

Sector	ML Risk
Informal Money Remitters (Hawala/Hundi)	High
Real Estate Agents	Medium High
Banking Sector	Medium High
Finance companies	Medium High
Money Value Transfer Services Providers	Medium
Stockbrokers	Medium
Primary Dealers	Medium
Casinos	Medium
Dealers in Precious Metals and Stones	Medium
Notaries	Medium
Lawyers	Medium
Accountants	Medium Low
Trust and company Service Providers	Medium Low
Insurance	Medium Low

The Financial Intelligence Unit (FIU) of Sri Lanka in its recent sanitised report of the 2021/22 National Risk Assessment (NRA) on Money Laundering and Terrorist Financing (ML/TF) has assessed the overall risk for the country as medium. The report was developed based on the assessment conducted by the FIU of the Central Bank of Sri Lanka (CBSL) together with public and private sector stakeholders.

The assessment, which aimed at identifying the ML/TF risks in the country, highlights the most significant ML/TF threats, vulnerabilities, and risks faced by Sri Lanka. The NRA identified Drug Trafficking, Bribery and Corruption, Customs related Offences including Laundering of Trade-Based Proceeds, as the most prevalent predicate offences, where ML threat was rated as medium high. Fraud, Robbery, Environmental and Natural Resource Crimes recorded as having a medium level of ML threat. Human Smuggling/ Trafficking, Tax Offences, Illegal, Unreported and Unregulated Fishing related unlawful activities were assessed as having a medium low ML threat while lower ML threat was observed for Counterfeiting of Currency. Based on the NRA, the National Policy on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) of Sri Lanka and comprehensive action plans for each stakeholder were prepared to address the gaps identified to effectively combat ML/TF in the country. The NRA 2021/22 is the second of such Assessments on Sri Lanka's AML/CFT framework since the first Assessment in 2014.

The assessment covers the period from 2016-2022 and relevant data and statistics were sourced from all stakeholder agencies, some of which were represented in the core working groups. Sri Lanka received technical assistance and the tool kit from the World Bank to carry out the NRA. The present Assessment underscores the government's commitment to protecting the country's economy and the financial system from exploitation by a variety of criminal elements and national security threats, and to ensuring a safe and sound financial system by adopting measures to adequately address the threats posed by ML/TF.

The FIU asserted that a strong political commitment is critical to address the national AML/CFT plan and the government is committed to fostering a culture of accountability, transparency, integrity in tackling financial crimes, bribery, corruption, ML and TF in the country. Further, by better understanding the current risk environment, respective stakeholders, from now onwards can effectively allocate more resources to the high risk areas to safeguard the integrity of Sri Lanka's financial system, the FIU said.


 Comments - 0