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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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Financial Intelligence Unit

Ref. 037/01/016/0001/008

23rd May 2008

Tel. No. 2477125
Fax No: 2477692
e-mail: fiu@cbsl.lk

To: Chief Executive Officers of Licensed Banks

Dear Sir/Madam,

**COMPLIANCE WITH THE RULES ON CUSTOMER
DUE DILIGENCE FOR FINANCIAL INSTITUTIONS.**

This refers to the Rules issued by the FIU on 18th May 2007 on the above subject.

It has been observed that certain banks have adopted inadequate customer due diligence procedures in opening customer accounts and facilitating customer transactions leading to unfair competition among the banking industry. This will adversely affect the credibility of the banking institution and unity of the banking industry leaving the doors open for criminals to exploit our financial system. Therefore banking institutions are hereby advised to strictly adhere to the KYC/CDD Rules issued by the FIU and make arrangements to safeguard their own banking institutions contributing for the nation's effort in combating money laundering and countering the financing of terrorism.

Further, I wish to indicate that any contravention or non-compliance will be liable to the penalties under the Financial Transactions Reporting Act No. 06 of 2006.

Yours faithfully

Sgd.
Director
Financial Intelligence unit.

Cc ; All Compliance officers of Licensed Banks
Sri Lanka Banks' Association
Director, Bank Supervision / CBSL