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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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நிதியியல் உளவறிதல் பிரிவு

Financial Intelligence Unit

Ref : 37/03/004/0004/008

06 March 2009

Mrs. Lasinee Seresinghe
Director General
Insurance Board of Sri Lanka
Level 11, East Tower
World Trade Centre
Colombo 01.

Dear Madam,

AML/CFT COMPLIANCE FUNCTIONS OF THE INSURANCE INDUSTRY

It is observed that the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) measures adopted by the insurance companies are not adequate to meet the statutory provisions of the Financial Transactions Reporting Act No. 6 of 2006 (FTRA). Appointment of AML Compliance officers, staff training and independent audit function are among the deficient areas identified.

Further, supervisory authority is required to ensure compliance by all institutions under its purview in terms of the FTRA. Section 23 of the FTRA provides "The relevant supervisory authority of an Institution shall -

- (a) verify through regular examinations whether that an institution is complying with provisions of the Act and shall report any non-compliance to the Financial Intelligence Unit;
- (b) Co-operate with law enforcement agencies and the Financial Intelligence Unit in any investigation, prosecution or proceeding relating to any offence constituting an unlawful activity"

I shall be grateful if you could streamline the AML/CFT compliance of the insurance companies on an urgent basis.

Your faithfully,

Sgnd.
H A Karunaratne
Director