



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

இலங்கை இலங்கை

நிதியியல் உளவறிதல் பிரிவு

Financial Intelligence Unit

Circular - 03/12

Ref: 37/04/001/0004/012

22nd March 2012

To: CEOs of Licensed Finance Companies

Dear Sir/Madam,

**Compliance with the reporting requirements under the
Financial Transactions Reporting Act, No. 6 of 2006**

Further, to Circular No. 4 of 2006 dated 15th September 2006, we wish to draw your attention to Sections 7, 12 (1) and 14 (1) of the Financial Transactions Reporting Act, No. 6 of 2006 (FTRA) on Suspicious Transactions Reports (STRs).

STR Reporting Obligation;

Under the Section 7 (1) of the FTRA, Where an Institution: -

- a). has reasonable grounds to suspect that any transaction or attempted transaction may be related to the commission of any unlawful activity or any other criminal offence; or
- b). has information that it suspects may be relevant-
 - (i) to an act preparatory to an offence under the provision of the Convention on the Suppression of Terrorist Financing Act, No. 25 of 2005.
 - (ii) to an investigation or prosecution of a person or persons for an act constituting an unlawful activity, or may otherwise be of assistance in the enforcement of the Prevention of Money Laundering Act, No. 5 of 2006 and Convention on the Suppression of Terrorist Financing Act, No. 25 of 2005.

The Institution shall, as soon as practicable, after forming that suspicion or receiving the information, but no later than two working days there from, report the transaction or attempted transaction or the information to the Financial Intelligence Unit.

Internal procedure on Identification and Reporting of STRs;

As per the Section 14 (1) of the FTRA, Compliance Officer of every Institution should establish and maintain procedures and systems to implement the reporting requirements under the Section 7 of the FTRA and train its officers, employees and agent to recognize suspicious transactions.

Contd.

Protection of Persons Reporting STRs;

As per Section 12 (1) of the FTRA, no civil, criminal or disciplinary proceedings shall be brought against a person who makes the report in good faith or in compliance with regulations made under the Act or rule or directions given by the FIU in terms of the Act.

Submission of STRs;

Every Institution must submit the report on suspicious transaction to the **Director, Financial Intelligence Unit through the Compliance Officer** of the reporting Institution designated under the FTRA. As instructed in the Circular dated 17th December 2009 on "Web based information reporting system in submitting regular reports to the Financial Intelligence Unit" all STRs have to be submitted electronically using the web based interface (<https://lankafin.cbsl.lk>) and certified copies of the reports should be submitted subsequently.

Any contravention or non-compliance on the above will be liable to penalties under the FTRA.

Yours faithfully,



**Director
Financial Intelligence Unit**

cc : Compliance Officers

Director/ Department of Supervision of Non Bank Financial Institutions