

## **AML compliance requirements for Gem and Jewellery sector in Sri Lanka**

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The Financial Intelligence Unit (FIU) of the Central Bank of Sri Lanka organised an awareness programme for the gem and jewellery sector on 'Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Compliance Obligations and New Developments' on 4 July 2023. The keynote address was delivered by Dr. Nandalal Weerasinghe, Governor of the Central Bank of Sri Lanka/Chairman, National Coordinating Committee on AML/CFT. J. M. Thilaka Jayasundara, Secretary to the Ministry of Industries, Viraj de Silva, Chairman of the National Gem and Jewellery Authority (NGJA), Ajward Deen, President of Sri Lanka Gem & Jewellery Association (SLGJA) and U.G. Chandrasena, President, Lanka Gem Dealers and Miners Association also graced the occasion. Over 100 participants from the industry attended the event.

The gems and jewellery, precious metals and stones industry is a key contributor to the Sri Lankan economy. Sri Lanka is the ninth largest exporter of precious stones to the global market and one of the five most important gem bearing nations of the world.

Sri Lanka is also one of the world's steadiest suppliers of top-quality gemstones. However, Sri Lanka's export contribution to economy is yet to match the other global stakeholders such as Thailand, which is an international trading hub for gems and jewellery and generates around USD 12 billion in export revenue, Hong Kong, which notches USD 30 billion. As per the Central Bank Annual Report 2022, Sri Lanka earned USD 450 million as export income from gems, diamonds, and jewellery during 2022 while the annual average for the past five years was USD 298 million.

Addressing the gathering, Dr. Weerasinghe stressed on the significant contribution of the gem and jewellery sector to the Sri Lankan economy. He emphasised that the sector's successful adherence to the AML/CFT obligations would effectively mitigate Money Laundering and Terrorist Financing (ML/TF) risks. Furthermore, it would ensure compliance with the international recommendations, governance standards, and anti-corruption framework. Dr. Weerasinghe emphasized that these efforts would reinforce the AML/CFT framework of the country. He extended an invitation to sector stakeholders, urging them to collaborate closely with the FIU and the NGJA in this national endeavor.

The Secretary to the Ministry of Industries, Thilaka Jayasundara, in her address, provided detailed insights on the collaborative efforts between the FIU and the NGJA to enhance the AML/CFT regime within the gem and jewellery sector. She further elaborated on the specific areas that require focused attention before the upcoming Mutual Evaluation in 2025. Further, she emphasised the importance of compliance in order to gain recognition in the international market.

Chairman of the NGJA, De Silva, during his speech, acknowledged Sri Lanka's strategic geographical position on historic trade routes, which has facilitated the exchange of precious gemstones throughout our history. Furthermore, he urged gem and jewellery dealers to uphold their responsibilities by complying with AML/CFT regulations. He specifically emphasised the importance of registering with the FIU as a means of fulfilling these regulatory obligations.

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**Seated from left: Muslim Salahudeen (Vice President, SLGJA), Ajward Deen, (President, SLGJA), J M Thilaka Jayasundara, (Secretary, Ministry of Industries), Dr. Nandalal Weerasinghe (Governor of the Central Bank of Sri Lanka/ Chairman, National Coordinating Committee on AML/CFT), Viraj de Silva, (Chairman of NGJA), Enoka Mohotty (Director of the FIU), K. M. A. N Daulagala (Deputy Governor of the Central Bank of Sri Lanka)**

**Standing from left: U G Chandrasena (President, Lanka Gem Dealers and Miners Association), Rizwan Zahabdeen (Vice President, SLGJA), Theja Pathberiya, (Deputy Director of the FIU), Dr. Ayesh Ariyasinghe (Additional Director of the FIU). Chandima Bandara (Senior Assistant Director of the FIU).**

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