



COMPLIANCE INSIGHTS

PRESENTED BY - PUBLICATIONS COMMITTEE

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Classification: **Public**



Australian Government Orders Compliance Audits on Casino Operators

AUSTRAC has instructed **The Ville Resort-Casino** in **Townsville and Mindil Beach** Casino Resort in Darwin to appoint external auditors to assess their AML/CTF compliance

1. Why Action Was Taken

The **Australian Government's financial intelligence agency (AUSTRAC)** identified **serious gaps** in:

- Anti-Money Laundering / Counter-Terrorism Financing (AML/CTF) controls
- Risk assessments and board oversight

Casinos pose **elevated risk** due to gaming operations

2. Scope of Independent Audits (*At casinos' expense*)

Is there an effective AML/CTF compliance program?

Are **ML/TF risks** properly identified and managed?

Is **senior management actively overseeing AML controls**?

Are **customers and transactions being monitored** for illicit activity?

3. What Happens Next

Independent auditors will report findings to the government

Further **regulatory enforcement** may follow based on audit results

Australian Government Orders Compliance Audits on Casino Operators

Government Statement – Brendan Thomas, AUSTRAC CEO

“Even smaller casinos face high risk of criminal exploitation.

The government is watching — non-compliance will lead to action.”

“Money laundering supports serious criminal activity — it must be stopped.”

MAS Proposes AML/CFT Rule Changes for Financial Institutions & VCCs

On 8 April 2025, the Monetary Authority of Singapore (MAS) issued a [consultation paper](#) seeking feedback on “Proposed Amendments to the Anti-Money Laundering and Countering the Financing of Terrorism AML/CFT Notices and Guidelines” applicable to Financial Institutions (FIs) and variable capital companies (VCCs). These changes aim to enhance Singapore’s AML/CFT measures and align with international standards set by the Financial Action Task Force (FATF).

1. Key Amendments:

- Include Proliferation Financing (PF) risks in ML/TF risk assessments.
- Amend MAS Notice TCA-N03 — broaden trust party definitions and info requirements.
- STR filing deadlines clarified: within 5 business days; 1 day for sanctioned parties.
- Enhanced screening, fraud detection, and source of wealth/funds checks.

2. The proposed amendments apply across the financial sector, including the following?

Banks, insurers, payment providers, trust companies, VCCs, and more.

3. Next Steps:

FIs and VCCs should review, assess impacts, and prepare for compliance by 30 June 2025.

Credit Suisse Tax Case Highlights Compliance Gaps

1. Case Overview

- Credit Suisse and its parent bank, UBS agreed to pay a total of fined \$511 million in U.S. tax fraud settlement
- Helped U.S. clients hide ownership of \$4 billion to evade taxes
- Non-Prosecution Agreement (NPA) requires full cooperation with Department of Justice (DOJ) investigations

2. Compliance Lessons

- Importance of beneficial ownership transparency
- Due diligence in mergers & acquisitions
- Continuous monitoring and disclosure of suspicious accounts
- Institutions must strengthen ownership verification and due diligence processes to prevent facilitating tax evasion and avoid regulatory penalties.

Pakistan to Launch Digital Currency Pilot

Announcement: State Bank of Pakistan Governor Jameel Ahmad (July 9)

Plan: Pilot launch of a Central Bank Digital Currency (CBDC)

Legislation: Finalizing laws to regulate virtual assets

Goal: Modernize the country's financial system Global

Context:

- Follows similar CBDC initiatives by China, India, Nigeria, and Gulf countries
- Reflects growing global interest in blockchain-based payments

U.S. Justice Department Seizes \$2 Million in Cryptocurrency Linked to Terrorist Financing

- Civil forfeiture action targets \$2 million in digital currency connected to BuyCash Money & Money Transfer Company, a Gaza-based business supporting Hamas and other terrorist groups.
- BuyCash and owner Ahmed M.M. Alaqad linked to funding Hamas, ISIS, Al-Qaida affiliates since 2017. Funds were channeled through Binance and Tether (USDT) to hide support for terrorism.
- Seizure disrupts terrorist financing networks, preventing digital currencies from being safe havens for illegal activities.
- Case investigated by FBI Washington Field Office with DOJ and international cooperation.

6 Indian Companies Sanctioned By US Over Iran Petroleum Purchases

The US Department of State sanctioned 20 entities, including 6 Indian firms, for violating sanctions under Executive Order 13846 by trading Iranian petroleum and petrochemical products.

Reason:
The US alleges Iran uses revenue from these trades to fund Middle East conflicts, terrorism, and domestic oppression.

Indian Companies Sanctioned:

- Alchemical Solutions Pvt Ltd – \$84M+ Iranian petrochemical imports
- Global Industrial Chemicals Ltd – \$51M+ imports including methanol
- Jupiter Dye Chem Pvt Ltd – \$49M+ imports including toluene
- Ramniklal S Gosalia & Co – \$22M+ imports including methanol, toluene
- Persistent Petrochem Pvt Ltd – \$14M+ imports of methanol
- Kanchan Polymers – \$1.3M+ imports including polyethylene

Sanctions Impact:

- US-based assets and interests blocked
- Prohibition on US persons transacting with these entities
- Restrictions extend to companies owned $\geq 50\%$ by sanctioned

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New Tech for e-KYC – Sri Lanka

- CRIB & Central Bank are developing a national e-KYC system
- Original plan used blockchain — now considered outdated
- New system to use Microsoft .NET 3.0 for better performance and security
- Aims to enable secure digital identity verification nationwide
- Project is in early stages — final discussions ongoing.

Sri Lanka to lease 3,000 acres to boost tourism investments

- Sri Lanka to Lease 10 Key Lands for Tourism Investments
- Announcement: Deputy Tourism Minister Ruwan Ranasinghe
- Plan: Lease 10 prime lands (e.g., Bentota, Kalpitiya, Pasikuda, Trincomalee)
- Lease Terms: Renewable 33-year leases Available
- Land: Around 3,000 acres currently open for investment
- Process: Expression of Interest to be called this week
- Oversight: Minister-appointed committee to evaluate investments
- Goal: Boost foreign exchange and achieve 3 million tourist arrivals, \$5 billion revenue in 2025

CIABOC Charges Former Minister Keheliya Rambukwella and Family

- The Commission to Investigate Allegations of Bribery or Corruption (CIABOC) has filed 43 charges against former Minister Keheliya Rambukwella, his wife, three daughters, and son-in-law under the Prevention of Money Laundering Act.
- The Financial Intelligence Unit found that they may have earned about Rs 97 million illegally. They were arrested but later released on bail.
- CIABOC is also investigating their life insurance policies and bank accounts.
- A court has frozen 16 fixed deposit accounts worth over Rs 93 million and five insurance policies.
- Some family properties and a vehicle have been seized. The case will be heard in court soon.

Three Houses in Borella & Kandana Seized Under Money Laundering Laws

- A man and a woman, aged 43 and 45, suspected of drug trafficking, were arrested in Borella, Colombo 08.
- It is believed their total assets of Rs. 160 million were bought with money from illegal drug sales.
- The Illegal Assets Investigation Division seized several properties under the Money Laundering Act, including a four-storey house in Kandana, two two-storey houses and one three-storey house in Borella, and two vehicles—a Japanese Alto and a Wagon R.
- The suspects were produced before the Maligakanda Magistrate's Court on June 27 and remanded until July 11. Further investigations are ongoing.

Rise in Online Scams Targeting Sri Lankans via Social Media

Scams via social media: Facebook, WhatsApp, Telegram, Skype, WeChat

- **Method 1:** Fake investment and work-from-home offers Victims invest small amounts, shown fake profits Later asked to invest more, then scammed through added "fees"
- **Method 2:** Fake job offers used to collect bank account details Accounts used to move illegal funds (money laundering) Account holders paid small commissions

Scams are highly organised and cross-border CID faces delays getting data from social media

Stats:2024: 7,210 cyber complaints (1,440 financial fraud)Q1 2025: 2,887 complaints (364 financial fraud)

Over 200 foreign nationals arrested (India, China, Thailand)

Public advised: Avoid suspicious links, Do not share bank info ,Do not transfer money for unknown parties.

Close Associate of Kanjipani Imran arrested at BIA

- Mohamed Manilar Mohamed Arshad 45 years old, linked to gangster Kanjipani Imran Arrested by CID on July 24 at Bandaranaike International Airport (BIA)
- He has used to live on Wolfendhal Street, Colombo and escaped to Dubai in 2017 later were arrested during a birthday party at a hotel in Dubai in 2019, he had moved to India to avoid arrest.
- Entered India without a passport or visa therefore Indian authorities arrested him and sent him back to Sri Lanka
- His wife and children still live in India with valid passports and visas

Advertisements Promoting Overseas Property Investments

Context: CBSL has noticed ads in print and social media promoting overseas property investments and foreign financing for Sri Lankan residents.

Regulations under Foreign Exchange Act (FEA), No. 12 of 2017:

- Residents can only use Personal Foreign Currency Accounts (PFCA) for overseas property purchases, limited to USD 20,000 or equivalent.
- Payments from Business Foreign Currency Accounts (BFCA) for this purpose are not allowed.
- Residents cannot obtain foreign loans or financing from non-residents for overseas property investments.

CBSL Advisory:

Public warned not to be misled by such advertisements. Legal action will be taken against those involved in unauthorized foreign exchange transactions.

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Advertisements Promoting Overseas Property Investments

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