



COMPLIANCE INSIGHTS

PRESENTED BY - PUBLICATIONS COMMITTEE

June 2025

Classification: **Public**

Dubai: Indian billionaire, owner of No. 5 car plate, gets 5 years in jail for money laundering

Dubai-based Indian businessman Balvinder Singh Sahni, widely known as 'Abu Sabah', has been sentenced to five years in jail on charges of money laundering through a criminal organization.

Dubai's Fourth Criminal Court ordered the confiscation of Dh150 million from the billionaire and imposed a fine of Dh500,000. The court also ruled that Sahni – [known for scooping car number plate D5 for Dh33 million, which then was the most expensive](#) – be deported following the completion of his jail sentence.

According to the court ruling, the defendants operated a sophisticated money laundering network using shell companies and suspicious financial transactions. Investigations revealed

extensive financial data and business links both within the UAE and abroad.

The court ordered the seizure of Dh150 million, believed to be laundered funds, along with electronic devices, mobile phones, and documents related to the case.



Dubai Police arrest internationally wanted drug trafficker Othman El Ballouti

Dubai Police have arrested Othman El Ballouti, one of the world's most wanted individuals, who is accused of involvement in transnational organised crime and drug trafficking

“[@DubaiPoliceHQ](#) arrest internationally wanted drug trafficker Othman El Ballouti. [#Dubai](#) Police reaffirmed their commitment to global collaboration in combating transnational organized crime, strengthening international partnerships, and sharing expertise to ensure the safety... pic.twitter.com/0pJv8GGpP7”

— Dubai Media Office (@DXBMediaOffice) [December 9, 2024](#)



Classification: **Public** Source: <https://gulfnews.com/uae/crime/dubai-police-arrest-internationally-wanted-drug-trafficker-othman-el-ballouti-1.104874580>

CBSL calls on banks to strengthen fraud detection with AI-driven tech

- *Emphasises need for proactively identifying suspicious activities and mitigating them real time*
- *Points out online fraudsters have adopted increasingly sophisticated methods to deceive victims*
- *Despite AML/CFT frameworks, illicit online transfers escalating in SL's financial landscape*



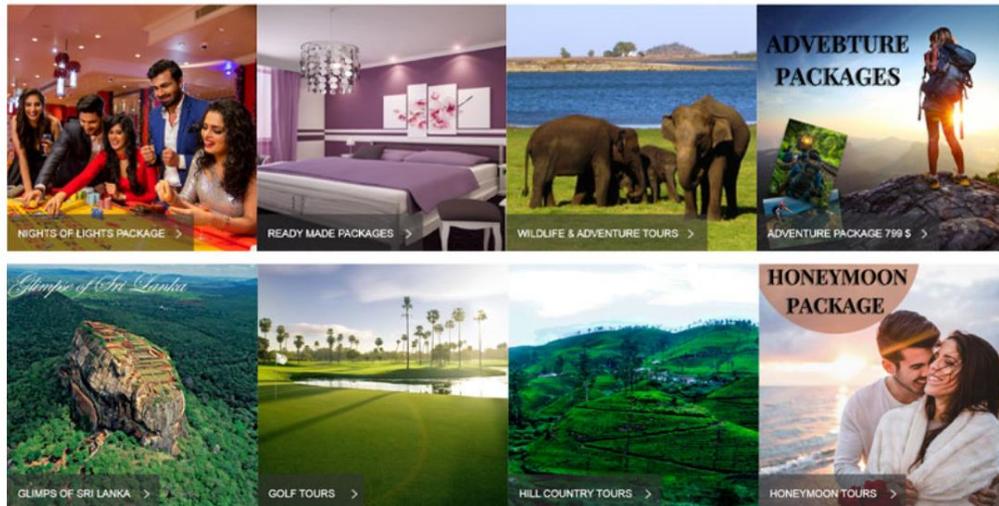
RAW uncovers Sri Lankan casino Money Laundering operation

The Indian Research and Analysis Wing (RAW) has uncovered a major money laundering operation tied to a Sri Lankan casino, allegedly used by Indian billionaires to launder undisclosed earnings.

The operation, involving a travel agency called Hamoos Travels, has raised alarms within the Indian intelligence community and law enforcement agencies.

Reports indicate that Hamoos Travels, a company offering services for Indian tourists visiting Sri Lanka, has been facilitating money laundering activities.

What started as a typical travel agency with flight and hotel booking services has reportedly expanded to offer access to Sri Lankan casinos, where payments for gambling can be made directly in India.



S o u r c e : <https://lankaleader.lk/news/12493-raw-uncovers-sri-lankan-casino-money-laundering-operation>

SRI LANKA HOLIDAYS WITH HAMOOS TRAVELS

Classification: **Public**

Foreign consultant hired to fix Anti-Money Laundering failures

Sri Lanka has hired a foreign consultant to prepare for regional scrutiny of its regime against the economic crime of money laundering and terrorism financing after repeated failures to fully comply with global standards. It has negotiated breathing space until next year for the purpose.

Dr. Gordon Hook, a barrister and the former Executive Secretary of the Asia/Pacific Group on Money Laundering (APG), has been hired as a consultant by the Central Bank of Sri Lanka (CBSL). He had visited Sri Lanka in September 2023 as a part of its delegation.

Dr. Hook will carry out a mock evaluation, including for licensed banks, from March 25 to identify gaps and prepare for the mutual evaluation in 2026, CBSL Governor Dr. Nandalal Weerasinghe said.



Source - www.sundaytimes.lk/250316/news/foreign-consultant-hired-to-fix-anti-money-laundering-failures-592319.html

Classification: **Public**

COPE exposes alleged human trafficking by Sri Lanka Foreign Employment Bureau

- Senior SLBFE officials issue controversial circulars by passing Act and without Board approval to send domestic workers for overseas jobs on visit visas
- Exposes 6,290 workers were sent abroad via this method, with 1,990 unaccounted for and 742 reported missing
- Committee members allege many women were being “sold” into exploitative conditions due to poor oversight
- Uncovers some approved workers were underage and 1,925 complaints were ignored by SLBFE
- COPE accuses Bureau of serving foreign employment agencies instead of regulating them
- Officials confirm Manusha Nanayakkara was Minister in charge at the time



Sri Lanka-based Marine Solution Pvt Ltd added to US SDN list

The US Department of the Treasury's Office of Foreign Assets Control (OFAC) has added Sri Lanka-based Marine Solution Pvt Ltd to its Specially Designated Nationals (SDNs) list of individuals and companies that US persons are prohibited from dealing with, the US Embassy in Sri Lanka said

"OFAC has added Sri Lanka-based Marine Solution Pvt Ltd to the SDN list for its role as the registered owner and technical manager of the Barbados-flagged SHANNON II (IMO: 9237797), which has shipped Iranian oil," the embassy said.

SDNs are individuals and companies blocked by OFAC for various reasons, such as terrorism, narcotics, or sanctions.

The SDN list is a public list of SDNs that US persons are prohibited from dealing with.

The [Iran-related Designations](#) SDN list published by OFAC contains the names of individuals, entities, and groups designated by OFAC as well as the listing of maritime vessels and aircraft that are blocked by OFAC.

"President Trump's policy of maximum pressure on the Iranian regime is designed to end Iran's nuclear threat, curtail its ballistic missile program, and stop it from supporting or rebuilding its terrorist proxy groups, including by driving Iran's oil exports to zero — especially oil exports to China." (Colombo/Mar19/2025)

Proceeds of Crimes Bill approved by Parliament

The Proceeds of Crimes Bill under which the assets earned by wrong means could be acquired by the government was unanimously approved in Parliament

An Act to provide for the recovery of proceeds of crime, to provide for the investigation, restraint, forfeiture and disposal of proceeds of crime, to provide for the protection, preservation, management of restrained proceeds of crime, to establish the proceeds of crime management Authority, to provide for inter-agency cooperation and international collaboration relating to the recovery of proceeds of crime, and to provide for matters connected therewith or incidental thereto.



Source - <https://lankanewsweb.net/archives/70914/the-proceeds-of-crime-bill-for-whom-the-bell-tolls/>

Classification: **Public**

Signs SL becoming human smuggling hub

Going by recent reports from the Immigration authorities, Sri Lanka seems to be on its way to being a hub for illegal immigrants. This week 10 Bangladeshi nationals who had entered the country with the intention of making their way to Europe were arrested by officers of the Investigation Division of the Immigration and Emigration Department in the Katunayake area.

The men had travelled from Bangladesh to India and from there had arrived at BIA with an on-arrival tourist visa. The men were arrested after it was found they were overstaying their visas and initial investigations revealed that they were awaiting their forged visas to travel to Europe.



Shared-KYC for banks, likely by year-end

Shared Know Your Customer for the banks is set to launch by year-end in Sri Lanka, a digital process where individuals' identities are verified and shared amongst banks for business transactions.

“The government has presented it to the banks, and we are awaiting their response. The target is to complete and launch it by year-end,” a Central Bank official told The Sunday Times Business on Tuesday. However, he said that certain modalities have to be fine-tuned in the process.

This collaborative KYC data sharing aims to create a more rationalized and interconnected future for the financial industry, with a user-friendly method that encourages consumers to adopt digital financial services, increasing financial inclusion.

A central platform manages verified KYC data, allowing financial institutions to verify customer identities and share information securely, requiring proper consent.

The Central Bank selected three applicants in 2020 to develop the Proof of Concepts (POCs), which were tested by the Central Bank and 10 commercial banks. The POC deployment and testing phase was completed in June 2021. The project aimed to assess the potential of Blockchain Technology to improve customer experience, lower operational costs, and reduce operational risk.

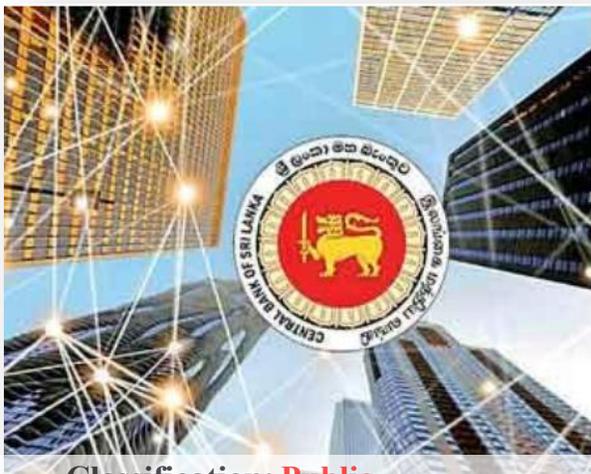
The successful completion of the Blockchain Technology-based Shared KYC POC signifies an important step in Sri Lanka's journey towards digitalization and increased access to financial services.

CBSL tightens oversight on IT and cybersecurity risks in banking sector

In a move to reinforce operational resilience across the banking sector, the Central Bank of Sri Lanka (CBSL) has issued a new directive mandating licensed banks to promptly report a broad range of information technology (IT) and cybersecurity incidents.

The latest circular that was released this week comes against the backdrop of growing digital adoption among banks and rising threats to data integrity and system stability.

The circular was issued with the financial sector regulator having observed the increased reliance on digital infrastructure by licensed banks, the risk of cyberthreats, data breaches, and system failures that require prompt and transparent reporting of such incidents to CBSL and relevant stakeholders to ascertain risks, mitigate potential disruptions and safeguard customer information and assets.



Source: <https://www.dailymirror.lk/print/business-news/CBSLtightensoversight-on-IT-andcybersecurityrisks-inbankingsector/273-308522>

Classification: **Public**

Sri Lanka to roll out e-NIC project by next month

The Department of Registration of Persons is awaiting a shipment of 300,000 additional polycarbonate cards from [Thales](#) to implement the Electronic National Identity Card (e-NIC) project, officials said.

“We have procured them from Thales, and we still need 500,000 more cards.” M.S.P. Suriyapperuma, director general of the Department of Registration of Persons, told *Biometric Update* on Thursday. This follows the [700,000 cards](#) the department received in in March from Thales.

e-NICs will incorporate biometrics into the system. These e-NICs will feature biometric data, including fingerprint, iris, and facial recognition, to enhance security and efficiency in identity verification.



Classification: **Public**

Source - <https://www.biometricupdate.com/202505/sri-lanka-to-roll-out-e-nic-project-by-next-month>

TIN to be made mandatory when opening bank accounts under new tax law amendments

The Cabinet of Ministers has approved the proposal to initiate necessary amendments to the Inland Revenue Act No. 24 of 2017 in order to make it mandatory to furnish the Tax Identification Number (TIN) when opening all types of bank accounts.

Legal provisions to increase the withholding tax rate from 5% to 10% were introduced by the Inland Revenue (Amendment) Act No. 2 of 2025 with effect from April 1, 2025 due to charging advance income tax even from individuals with an income not exceeding Rs. 1.8 million which is the annual revenue limit to recover tax from. The measure was taken since depositors and low income earning individuals are apparently facing inconvenience.

PDPA amendment bill may upend DPA directives progress

Sri Lanka's Personal Data Protection Act (PDPA) amendment bill may overturn the progress made by private sector organisations to adjust to the draft directives published by the previously active Data Protection Authority (DPA), Technological Lawyer Thanuki Goonesinghe told *The Daily Morning Business* yesterday (28).
“With the arrival of this amendment bill, when there is no operational DPA, there is a concern that the progress made by private sector organisations, having adjusted and followed the draft guidelines published by the DPA, will be upended,” Goonesinghe said.

The PDPA was published in 2019 and later passed by the Sri Lankan Parliament on 19 March 2022. The DPA was established under the PDPA, in August 2023, to continuously monitor and regulate personal data processing and privacy.

The Act, though initially slated to be fully operational on 18 March, was pushed forward by six months by the government, citing infrastructure and expertise gaps in the public sector.

No more secret beneficial owners of companies

A draft amendment to the Companies Act which will for the first time compel businesses to disclose their beneficial owners has been placed on the order paper of Parliament.

The passing of the law will meet another International Monetary Fund (IMF) structural benchmark. The government undertook to enact amendments to the Companies Act to make the beneficial ownership framework consistent with FATF standards by the end of April 2025.

The FATF (Financial Action Task Force) standards are a set of international guidelines for combating money laundering, terrorist financing, and proliferation financing. Sri Lanka's next evaluation of its Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework is scheduled for March next year. Beneficial ownership refers to people who "ultimately" control or benefit from a company, even if they are not the official, legal owner; in other words, the "real" owner or controlling party behind a legal entity.

The proposed amendment will allow the public to inspect the details of the beneficial owners of a company upon a request being made to the Registrar of Companies "but the details of the beneficial owners of the company shall be limited to their full names and the nature and extent of beneficial ownership of the company".

Source - [https://www.sundaytimes.lk/250608/news/no-more-secret-beneficial-owners-of-](https://www.sundaytimes.lk/250608/news/no-more-secret-beneficial-owners-of-companies-60943.html)

Classification: **Public**
companies-60943.html



ACOB's "The Compliance Symposium 2025" tomorrow



CBSL Governor Dr. P. Nandalal Weerasinghe



Nations Trust Bank Chief Digital Officer Randil Boteju



Quantum Data Engines Director of Solutions Amruta Rajee

• ACOB: A common platform for the compliance community in Sri Lanka

The Association of Compliance Officers of Banks in Sri Lanka (ACOB) tomorrow will hold "The Compliance Symposium 2025" under the theme "Leading the Way in Compliance Excellence" at the Cinnamon Grand, Colombo, from 8:30 a.m. to 5 p.m.

Building on the success of previous symposiums and quizzes, this event promises to be a valuable platform for knowledge exchange, skill enhancement, and networking among compliance professionals.

The symposium will feature speeches by the Governor of the Central Bank of Sri Lanka, principal officers from CBSL, and subject matter experts from both domestic and international arenas. Key topics include the upcoming mutual evaluation, emerging financial crime and AML threats, SEC regulations, changes in the regulatory framework, new regulations on FDI and Port City, and the role of AI in AML. Panel discussions will provide attendees with the opportunity to seek clarifications from regulators and experts, deepening their understanding of critical compliance issues.



Quantum Data Engines Vice President - Sales Jonathan Sanam



Nithya Partners Partner Attorney-at-Law Naomal Goonewardena, FCA



Source –

<https://www.ft.lk/financial-services/ACOB-s-%E2%80%9CThe-Compliance-Symposium-2025%E2%80%9D-tomorrow/42-773411>



Compliance Symposium 2025: Experts weigh AML and fraud detection strategies



- CBSL Governor Dr. Nandalal Weerasinghe calls on banks to tighten controls in preparation for AML/CFT framework evaluation
- Emphasises that the country has already experienced two negative AML/CFT assessments in 2006 and 2014
- Assures stakeholders, however, that a Mock Assessment will be conducted to ensure preparedness
- FIU Director Keerthiratne describes the FIU's collaboration with local law enforcement agencies as key to fraud detection
- Dept. of Supervision of Non-Bank Financial Institutions Director Jayasinghe praises FIU's measures while acknowledging the need for strengthened accountability mechanisms within financial institutions
- Opines that finance companies need increased technological integration
- NTB Chief Digital Officer Boteju notes that financial crimes are primarily overseas scams

Source - <https://www.ft.lk/financial-services/Compliance-Symposium-2025-Experts-weigh-AML-and-fraud-detection-strategies/42-773746>