

Financial Transactions Reporting: An Overview of the Sri Lankan Law

J A Dinusha Chaturanga Jayasinghe^{1#}

¹LL.M Candidate, Faculty of Graduate Studies, General Sir John Kotelawala Defence University, Ratmalana, Sri Lanka

[#]For correspondence <dinushajayasinghe@gmail.com>

Abstract— Financial crimes including money laundering and terrorist financing has become a major burden to the economies of almost all the jurisdictions. Further, the institutions engaged in finance business including banking business are the most exposed institutions to financial crimes as they are doing their business with money which is the most liquid asset. In Sri Lanka, three major legislations namely, Convention on the Suppression of Terrorist Financing Act No 25 of 2005, Prevention of Money Laundering Act No 5 of 2006 and Financial Transactions Reporting Act No 6 of 2006 (FTRA) had been enacted targeting countering such financial crimes. However, FTRA can be identified as the enactment which influences the most in the sense of banking and finance business as it has introduced important guidelines and instructions for the institutions, while setting up the Financial Intelligence Unit. Hence, this paper will discuss the main features of FTRA and its consequence to the institutions engaged in finance business including the snags face in implementing the act. The author uses primary sources viz. acts, codes and guidelines and secondary sources viz. journals, reports, annual reports, electronic resources and books as main sources for this study. Finally, the paper concludes with suggestions to FTRA towards strengthening the legal regime to combat against money laundering and terrorist financing while minimizing afflictions affecting the institutions in complying with FTRA.

Keywords— Money Laundering, Terrorist Financing, Financial Transactions Reporting, Sri Lanka

I. INTRODUCTION

Financial Services regulations are mainly created for the purpose of monitoring the organizations to protect their depositors. Those regulations can be identified not only in the form of statutory and administrative provisions but also in the form of informal regulations of norms¹. Mostly in the developing countries, those informal regulations such as using government discretion to influence the functioning of the financial sector institutions, outside the statutory provisions can be seen. In any regulatory frame work, there can be identified requirements, guidelines and restrictions aiming for the smooth functioning and safety of the financial system. Financial sector policies and regulations are mainly for ensuring

safety and soundness of the financial system, supervision, regulation, depositor/consumer protection, ensuring and enhancing financial inclusion and supply of adequate credit to economically important sectors². Nevertheless, the regulatory authorities of different jurisdictions introduce these objectives in their own formats. As an example, the Financial Services and Markets Act 2000 of United Kingdom, specifies four main objectives which are market confidence, public awareness, consumer protection and reduction of financial crimes³. Accordingly, every regulatory authority has adopted regulations in accordance with their objectives.

With the past experiences and future requirements, Sri Lanka also enacted several laws which are more important for the financial sector and among such legislations, there are three main pieces of legislations covering Sri Lanka's regime of anti-money laundering and combatting terrorist financing⁴. Those legislations are;

1. Convention on the Suppression of Terrorist Financing Act, No. 25 of 2005 (CSTFA)
2. Prevention of Money Laundering Act, No. 05 of 2006 (PMLA)
3. Financial Transaction Reporting Act, No. 06 of 2006 (FTRA)

The FTRA, which is the most invasive of above three legislations⁵ in terms of the Banking and Finance business, has introduced important guidelines and instructions for the institutions, while setting up the Financial Intelligence Unit (FIU). It opens array to facilitate the prevention, detection, investigation and prosecution of the offences related with money laundering and terrorist financing⁶ by collecting data on suspicious financial transactions.

After the 9/11 attack on USA in 2001, the Financial Action Task Force (FATF), which is the inter-governmental body established in 1989 to set standards to effectively implement legal and regulatory measures related to money laundering activities, expanded their scope by adding 09 recommendations to the existing 40 recommendations covering the combatting against terrorist financing. According to FATF⁷, their recommendations are considered as important measures to;

1. identify the risks, and develop policies and domestic coordination
2. pursue money laundering, terrorist financing and the financing of proliferation

3. apply preventive measures for the financial sector and other designated sectors
4. establish powers and responsibilities for the competent authorities and other institutional measures
5. enhance the transparency and availability of beneficial ownership information of legal persons and arrangements
6. facilitate international cooperation

Accordingly, the countries have implemented measures including laws, regulations, guidelines, etc. with the intention of combatting money laundering and terrorist financing while complying the FATF recommendations. Three legislations mentioned above which were enacted in 2005 and 2006 are the outcome of that recommendations in Sri Lanka.

Sri Lanka experienced a thirty year long war which resulted a massive damage to the economy and lifestyle of the people. Almost all the people were affected directly or indirectly. Sri Lanka felt the harshness of the terrorism decades before the 9/11 incident which opened the eyes of European community. Further, not only because of the terrorism, but also of the money laundering activities, the country has faced troubles in the history. Lessons were learnt from the illegal deposit collectors, who was identified as Ponzi Scam operators such as Sakwithi Ranasinghe⁸, Piyadasa Rathnayake alias "Danduwa Mudalali"⁹ who offered around 90% annual interest rate and copycat financiers such as Saman Udayanga¹⁰ alias "Dadi Danduwa" (great punishment) as direct and indirect consequences of money laundering which vanished even hard-earned money of some innocent individuals.

Although, the war ended in mid-2009, the risk of terrorist financing and money laundering is still there. Some may think that the FTRA and other related enactments are not important as there is no war situation within the country¹¹, but, it is not the case. Terrorist financing and money laundering are global issues. Hence, global and regional measures should be implemented in combatting against such crimes and legal regime should be further strengthened. This is the reason behind the recent amendment to the laws according to international obligations to United National regulations to confrontation with the criminals¹². Further, while emerging the economic activities after the war, the tendency of financial crimes also increasing accordingly. Therefore, financial transaction reporting is still important in the sense of banking and finance business, which is a highly opened sector to such crimes and are aimed by the criminals to use intentionally or unintentionally to their crime channels.

II. OBJECTIVES

Financial Transaction Reporting is not only a responsibility of the financial institutions. Even the general public has a responsibility in terms of combatting terrorism and financial crimes. As per the provisions the institutions shall conduct ongoing due diligence on the business relationship with its customers¹³. To conduct such ongoing due diligence process the general public is required to have a better understanding on the laws. Even the provisions of the FTRA, protects the institutions, auditors, supervisory authorities, directors, partners, officers, employees, agents from civil, criminal or disciplinary proceedings in relation to any act carried out in good faith under the provisions of the act¹⁴. However, it is questionable whether the general public is well aware on the provisions of this act, how it works and the objectives of the provisions. Even some individuals who required to perform according to the provisions and who are responsible in combatting money laundering and terrorist financing are not well aware on the provisions and the objectives of such provisions.

In view of that, this research will survey the existing legal framework in Sri Lanka related to financial transactions reporting while drawing some examples from other jurisdictions. While discussing the responsibilities of the related parties, the research will draw attention of the lawmakers on recommendations to develop and further strengthen the laws. Further, this will fill the gap on researches related to this area.

III. METHODOLOGY

The study is a qualitative study. Since it is mainly focused on the laws relating to the financial transactions reporting, the FTRA and other relevant legislations and the regulators' guidelines were used as primary sources. By examining the primary sources, the author demonstrates the existing law related to financial transactions reporting and its significances to the financial sector in Sri Lanka. The FTRA influenced the financial sector by setting up the regulations for transactions reporting while establishing the FIU. Such primary sources were used to identify the obligations of the stakeholders while identifying the role of the FIU. Secondly, the author focused on Annual Reports of the Banks and other Financial Institutions, procedure manuals of some commercial banks, Annual Reports of the FIU, research papers of local and international scholars on the relevant fields and other printed and electronic sources as secondary sources. The statistics on the financial transaction reporting were gathered from the annual reports of the FIU and the annual reports of other banks were examined to identify the measures taken by them to comply with the relevant laws and regulations. In addition, information related to complying the measures were gathered from examining the procedure manuals of some commercial banks. Further,

articles, research papers and other printed and electronic documents were used to identify the scenario and make recommendations in order to further strengthening the legal regime of financial transaction can report any suspicion towards combatting money laundering and terrorist financing¹⁵.

IV. ANALYSIS

A. Background

The financial reporting of Sri Lanka is governed by the FTRA which was enacted in 2006. It is an act to provide for the collection of data relating to suspicious financial transactions to facilitate the prevention, detection, investigation and prosecution of the offences of money laundering and the finance of terrorism respectively; to require certain institutions to undertake due diligence measures to combat money laundering and the financing of terrorism; to identify the authority which will be responsible for monitoring the activities of all institutions to whom this act applies; and to provide for matters connected therewith or incidental thereto¹⁶.

The United Nations Security Council by the resolution (UNSCR) No 1267 (1999) has decided to require all the countries to “Freeze funds and other financial resources, including funds derived or generated from property owned or controlled directly or indirectly by the Taliban, or by any undertaking owned or controlled by the Taliban, as designated by the Committee established by paragraph 6 below, and ensure that neither they nor any other funds or financial resources so designated are made available, by their nationals or by any persons within their territory, to or for the benefit of the Taliban or any undertaking owned or controlled, directly or indirectly, by the Taliban, except as may be authorized by the Committee on a case-by-case basis on the grounds of humanitarian need”¹⁷. This measure was mainly targeted Usama Bin Laden. However, this resolution No 1267 with its successors requires the institutions to take measures to identify and freeze funds immediately. This resolution was implemented in Sri Lanka in 2012¹⁸. Further, with the UNSCR 1373 (2001) which was also implemented in Sri Lanka in 2012¹⁹, the countries were required to identify and freeze funds and financial assets of the designate individuals and entities²⁰. It further requires the states to take measure including to refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts, including by suppressing recruitment of members of terrorist groups and eliminating the supply of weapons to terrorists, take the necessary steps to prevent the commission of terrorist acts, including by provision of early warning to other states by exchange of information and deny safe haven to those who finance, plan, support, or commit terrorist acts, or provide safe havens²¹.

B. Financial Intelligence Unit

Accordingly, the FIU was established in 2006 under the Ministry of Finance and Planning and since February 2007, it operates as a department of the Central Bank of Sri Lanka, which is the regulatory authority of the Banking and Finance sector with the objective of combatting money laundering, terrorist financing and other related financial crimes in Sri Lanka in line with international recommendations and standards²². The FIU receives Cash Transactions Reports (CTR), Electronic Fund Transfers (EFT) and Suspicious Transactions Reports (STR) from the reporting institutions²³ which includes licensed banks, finance companies, stock brokers, insurance companies and money changers. Further the law enforcement agencies, supervisory authorities and general public also can report to the FIU. In terms of the FTRA, the institutions shall report any transaction which exceed the sum which is prescribed by the minister or its equivalent in any foreign currency²⁴ and any electronic fund transfer exceeding such sum²⁵. The sum has been prescribed by the minister as one million rupees at present as per the extraordinary gazette no 1555/9 of 25.06.2008. Further, the institutions shall report to the FIU any transaction or attempted transaction which is suspicious or may relate to any unlawful or criminal activity²⁶ and if the institution has information that it suspects may be relevant to an act preparatory to an offence under CSTFA or to an investigation or prosecution under PMLA or CSTFA²⁷. In this purpose the institutions or the responsible individuals can report any suspicious transactions despite of the value of the transaction and there is no monetary threshold for reporting such suspicious transactions.

Accordingly, CTRs, EFTs and STRs received by FIU from 2011 to 2015 as follows;

Table 1: Receipt of Reports to FIU under FTRA

	2011	2012	2013	2014	2015
CTRs	3,182,254	3,420,819	3,139,919	3,214,613	3,034,243
EFTs	698,659	796,836	1,483,445	2,712,393	3,056,182
STRs	185	203	366	718	783
Total	3,881,098	4,217,858	4,623,730	5,927,724	6,091,208

Source: FIU – Sri Lanka

Since, the financial system of the country is moving toward the electronic forms²⁸, the number of EFTs have exceeded the number of CFTs in 2015 where the number of EFTs are lower than the CFTs in previous years.

Other functions which are authorized by the FTRA include maintaining the information in a database, analyzing and assessing the information, requesting information and carrying out examination²⁹. Further, the FIU also may disclose any report or information to foreign or international agency that is similar to FIU³⁰ and it has the power to enter in to the arrangements and agreements in the form of Memorandum of Understandings (MOU) with third parties³¹. Accordingly, it has already entered into MOUs with 32 jurisdictions and domestic

government agencies such as Sri Lanka Customs, Department of Immigration and Emigration, Department of Inland Revenue and Department of Registration of Persons to facilitate the exchange of information. Further, Sri Lanka has the membership of international corporations which are Asia Pacific Group on Money Laundering and Egmont Group. Since the process of combatting against the money laundering and terrorist financing is cannot be done individually, such arrangements under the provisions of the act is strengthening the structure by increasing the fruitfulness of reporting the financial transactions.

C. Responsibility of the Institutions

Every institution shall appoint a compliance officer to ensure the institution's compliance with the FTRA³². Accordingly, compliance officers were appointed by the institutions including the banks from a key management position and such officers are directly report to the top management. In addition the institutions are required to establish and maintain procedures and systems to implement the requirements of the FTRA³³, including implementing the customer identification requirements, procedures for the record keeping and retention requirements, process of monitoring and the reporting requirements and make the officers of such institutions aware of the laws related to money laundering and terrorist financing³⁴ while screening all the persons before hiring as employees³⁵. The Compliance officer is responsible to ensure such procedures and systems within the institution. Accordingly, most of the institutions have adopted the requirements of the FTRA to their risk management structure. As an example, the Bank of Ceylon has automated the anti-money laundering and combatting terrorist finance activities by launching financial crime detection system named "AMLock" in 2014³⁶. Further, the People's Bank also developed systems and procedures to give the fullest support to combat money laundering and terrorist financing while training its employees and developing E-learning modules³⁷. Not only government banks but also private reporting institutions have also developed automated systems for the reporting and monitoring purposes³⁸. DFCC Vardhana Bank has developed such system with the network comprise of branch and department level users which were supervised by Compliance Department. This system monitors the transaction centrally targeting anti money laundering and preventing terrorist financing activities. Domestic politically exposed persons lists, international specially designated nationals lists such as United Nations and Office of Foreign Asset Controls have been incorporated to the system to closely monitor such individuals.

It is required to mention that this legislation is not only applicable to the banking institutions and other financial institutions. In this act "institution" means any person or body of persons engaged in or carrying out any finance business or designated non-finance business³⁹. Even the

professionals including lawyers, notaries, other independent legal professionals and accountants when they prepare for or carry out transactions for their clients in relation to buying and selling of real estate, managing of client money, securities or other assets, management of bank, savings or securities accounts, organization of contributions for the creation, operation or management of companies and creation, operation or management of legal person or arrangements and the buying and selling of business entities are included within the definition of designated non-finance business⁴⁰. Such individuals and professionals are commonly used in the money laundering process. Kiritharan⁴¹ states that professionals who are struggling with financial difficulties can easily be targeted by the money launders and further laundering can be done using the clients or their accounts.

D. Examples from other Jurisdictions

The prevention of Money Laundering Act, 2002, No. 15 of 2003 of India governs this area and the reporting authority is the FIU-India which is under the ministry of Finance of India. The threshold limit of India is rupees ten lakhs and all the suspicious transactions should be reported. Laws related to financial transactions reporting has been introduced to the Bahamas in 2000 and suspicious transactions and cash transactions exceed the threshold should be reported to the FIU. According to the Anti-Money Laundering Act of 2010 the threshold limit in Pakistan is rupees two million and such transactions and suspicious transactions should be reported to the Financial Monitoring Unit. The Maldives Financial Transaction Reporting Regulations were introduced and came in to the operation in 2011 and a financial intelligence unit has also been established subsequently.

V. RECOMMENDATIONS

The main regulation governs the financial transactions reporting in Sri Lanka is the FTRA, other than the guidelines and circulars issued by the regulator in accordance with the prevailing provisions. The law is mainly focused on combatting money laundering and terrorist financing activities not only locally but also globally. Know your Customer (KYC) and Customer Due Diligence (CDD) measures are very important for the employees of the reporting institutions for proper reporting. Every employee should be given a proper training on KYC and CDD rules and they should be educated on the idea of such measures. Further, such employees should know the ultimate objective of the reporting. Statistics shows that the reports on money laundering is increasing in the post war era. Welcoming the inflows of the investments is creating a heaven for money launders⁴². So, strengthening the combatting methods is essential. Such trainings will play a vital role in reporting and combatting. Institutional trainings should be encouraged while conducting training programs for institutions in relation to customer identification, record

keeping and reporting obligations and the identifications of suspicious transactions as pre the FTRA⁴³. In addition, process and procedures should be implemented to train the institutions, professional and individuals who are engaged in designated non-financial business. Areas such as laws related to Anti-money laundering, combatting terrorist financing and financial transactions reporting should be included in the curriculums for law students, students who learn banking and finance and the students.

Further, the information collected should be kept up to date. It is necessary to identify the unusual transactions which is done even by the usual customers as they may be used by third parties to achieve their targets.

Some of the employees may be in doubt, whether the requirements of the FTRA contradict with the bank secrecy. But, the FTRA itself gives provisions to protect the persons who report the suspicious transactions. No civil, criminal or even disciplinary proceedings can be instituted against the persons who reports the transactions including such institutions, auditors, supervisory authorities, directors, partners, officers or employees⁴⁴.

And most importantly, the general public has to be informed and educated on this reporting structure and the provisions of FTRA. Most of them do not like to fill different forms with range of information because of the unawareness on the law and the objectives of such information collections. Therefore, the general public has to be educated through printed media, electronic media and social media to impress them that the actions are for the safety of their own money and the economy of the country.

Further, the technology which is used to report including the "LankaFin" which is the in-house built database management system of the FIU, has to be continuously developed with the necessary security features and with collaboration with other countries with in the region. In addition the reporting institutions also should be instructed and facilitated to maintain proper developed information systems to identify and report the suspicious transactions.

VI. CONCLUSION

FTRA, No. 6 of 2006 is one of the three main legislations related to anti-money laundering and combatting terrorist financing in Sri Lanka. This comparatively new legislation which enacted in 2006 in mainly based on the recommendations of the FATF. The main institution established under this enactment which is FIU is performing a significant role in this regard. With the nature of the requirements, such laws has to be developed continuously. Criminals do not use the same methods of doing crimes. Accordingly, with the global

cooperation, well strengthened framework should be continuously ensured. However, the FTRA can be identified as an enactment which is providing a well-established platform in preventing money laundering and terrorist financing through proper reporting of financial transactions.

END NOTES

¹ Bigger D & Heimler A, An Increasing Role for Competition in the Regulation of Banks, June 2005, p 2

² Sinha A, Financial Sector Regulation and Implications for Growth, BIS Paper No 62, p 47

<<http://www.bis.org/publ/bppdf/bispap62g.pdf>> (Accessed on 12.04.2017)

³ Financial Services and Markets Act 2000 (UK), s 2 (2)

⁴ http://fiusrilanka.gov.lk/fiu_establishment.html (Accessed on 12.04.2017)

⁵ Weerasooria W, Twenty Five years of Banking Law (1988-2013) Important Events and Current Issues, 25th Anniversary Convention 2013, APB Sri Lanka, p 27

<http://www.apbsrilanka.org/articales/25_ann_2013/2013_2_Dr.%20Wickrema%20Weerasooria.pdf> (Accessed on 12.04.2017)

⁶ Samarajeewa A, Financial Transactions Reporting Act <<http://www.nithyapartners.com/journal/financial-transactions-reporting-act.php>> (Accessed on 13.04.2017)

⁷ The FATF Recommendations (Feb 2012), International Standards on Combatting Money Laundering and the Financing of Terrorism & Proliferation, p 7 <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf> (Accessed on 13.04.2017)

⁸ <http://www.island.lk/2008/09/28/news17.html> (Accessed on 13.04.2017)

⁹ Meaning of "Danduwa" is punishment

¹⁰ <http://www.island.lk/2009/07/01/news19.html> (Accessed on 13.04.2017)

¹¹ Weerasooria W, Twenty Five years of Banking Law (1988-2013) Important Events and Current Issues, 25th Anniversary Convention 2013, APB Sri Lanka, p 26

¹² <https://www.news.lk/news/sri-lanka/item/6726-laws-against-terrorist-financing-and-money-laundering-to-be-strengthened> (Accessed on 14.04.2017)

¹³ Financial Transactions Reporting Act, No. 6 of 2006, s 5 (a)

¹⁴ Ibid, s 12 (1)

¹⁵ Financial Intelligence Unit of Sri Lanka, Annual Report 2015, p 16

¹⁶ Financial Transactions Reporting Act, No. 6 of 2006, Preamble

¹⁷ <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N99/300/44/PDF/N9930044.pdf?OpenElement> (Accessed on 14.04.2017)

¹⁸ United Nations Regulations No 2 of 2012

¹⁹ United Nations Regulations No 1 of 2012

²⁰ <http://fiusrilanka.gov.lk/unscr.html> (Accessed on 14.04.2017)

²¹ [http://www.un.org/en/sc/ctc/specialmeetings/2012/docs/Unit%20Nations%20Security%20Council%20Resolution%201373%20\(2001\).pdf](http://www.un.org/en/sc/ctc/specialmeetings/2012/docs/Unit%20Nations%20Security%20Council%20Resolution%201373%20(2001).pdf) (Accessed on 14.04.2017)

²² http://fiusrilanka.gov.lk/fiu_objectives.html (Accessed on 14.04.2017)

²³ Financial Transactions Reporting Act, No. 6 of 2006, s 15 (1)

²⁴ Ibid, s 6 (a)

²⁵ Ibid, s 6 (b)
²⁶ Ibid, s 7 (1) (a)
²⁷ Ibid, s 7 (1) (b)
²⁸ Financial Intelligence Unit of Sri Lanka, Annual Report 2015, p 17
²⁹ Financial Transactions Reporting Act, No. 6 of 2006, s 15
³⁰ Ibid, s 16
³¹ Ibid, s 17
³² Ibid, s 14 (1) (a)
³³ Ibid, s 14 (1) (b) (i) to (iv)
³⁴ Ibid, s 14 (1) (b) (v)
³⁵ Ibid, s 14 (1) (b) (vi)
³⁶ Bank of Ceylon Annual Report 2015, p 173
³⁷ People's Bank Annual Report 2015, p 139
³⁸ Anti-Money Laundering Procedure, (2015), DFCC Vardhana Bank, p 40
³⁹ Financial Transactions Reporting Act, No. 6 of 2006, s 33
⁴⁰ Ibid
⁴¹ Kiritharan M, Money Laundering- Its impact on future financial transactions
<http://www.apbsrilanka.org/articales/15an/artical-kiritharan%20money%20lau.htm>> (Accessed on 21.04.2017)
⁴² Wijayarathna B, Money Laundering and Terrorist Financing Its Impact on Sustainability 24th Anniversary Convention 2012, p 221
⁴³ Financial Transactions Reporting Act, No. 6 of 2006, s 15 (1) (m)
⁴⁴ Ibid, s 12 (1)

REFERENCES

- Annual Report 2015, Financial Intelligence Unit of Sri Lanka
- Anti-Money Laundering Procedure, (2015), DFCC Vardhana Bank PLC
- Bank of Ceylon Annual Report 2015
- Bigger D & Heimler A, (June 2005), An Increasing Role for Competition in the Regulation of Banks
- Directions, Circulars, Guidelines and Operating Instructions issued to Licensed Commercial Banks, (2009), Central Bank of Sri Lanka
- <http://fiuindia.gov.in>
- <http://fiusrilanka.gov.lk>
- <http://fmu.gov.pk>
- <http://www.fatf-gafi.org>
- Kiritharan M, Money Laundering- Its impact on future financial transactions
- People's Bank Annual Report 2015
- Policy and Procedures on Anti Money Laundering and Know your customer, Version 1.2, People's Bank
- Samarajeewa A, Financial Transactions Reporting Act

Sinha A, Financial Sector Regulation and Implications for Growth, BIS Paper No 62

Sri Lanka: Report on the Observance of standards of codes for Anti-Money Laundering and Combatting the Financing of Terrorism and Mutual Evaluation Report on Anti-Money Laundering and Combatting the Financing of Terrorism, (January 2008), IMF Country Report No. 08/18

The FATF Recommendations (Feb 2012), International Standards on Combatting Money Laundering and the Financing of Terrorism & Proliferation

Weerasooria W, (2013) Twenty Five years of Banking Law (1988-2013) Important Events and Current Issues, 25th Anniversary Convention 2013, APB Sri Lanka

Wijayarathna B, (2012) Money Laundering and Terrorist Financing Its Impact on Sustainability 24th Anniversary Convention 2012, APB Sri Lanka



The Author is an Attorney-at-Law who has obtained his LL.B degree from the Open University of Sri Lanka. He has completed his MBA from the University of Wales, UK and an International Diploma in Compliance from the International Compliance Association, UK with merit passes. He is an Associate member of the Institute of Bankers of Sri Lanka and currently reading for an LL.M at the General Sir John Kotelawala Defence University. The views expressed here are however that of the author and do not reflect any institution he represents.