

DECLARATION

# Money Laundering and Narcotic Trafficking: An analysis of legal frame work in Sri Lanka

I carried out the work described in this dissertation under the supervision of

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The Dissertation Submitted to in partial fulfillment of the requirement for the award of

signature..... Date 14<sup>th</sup> September 2023

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## Abstract

Money Laundering and drug trafficking are the most connected offences that impact to whole society of a country. The main aim of this thesis was to find out about current legal framework of money laundering and drug trafficking of Sri Lanka .In addition it was aimed to reveal the lacking legislations, policies and services to eradicate cycle of money laundering and drug trafficking. Basically, this is a study which comes mainly with a library-based secondary data review under the legal research methodology. Especially this approach is used for the study to identify and explain the problematic factors related to anti-money laundering and Narcotic Legal system of Sri Lanka. International Conventions relating to the criminal justice on anti-money laundering and Narcotic Legal system will be analyzed along with the relevant Domestic Law provisions in evaluating the shortcomings and loopholes in the existing legal system of Sri Lanka. Drug traffickers seek to transform the monetary proceeds from their criminal activity into revenue with an apparently legal source. This is known as money laundering. The narcotic drugs and psychotropic substances problem has become one of the world's major issues. The international nature of illicit trafficking in narcotic drugs and psychotropic substances is evident in the cultivation and production of drugs in many countries as well as smuggling them across another country to be consumed in a third one. Laundered funds cause destabilization of the economy as they move quickly from one country to another to be spent as legitimate funds.

The findings of this study revealed that the country should ensure that effective coordination exists between bodies concerned with combating trafficking in narcotic drugs Anti Money Laundering (AML) entities at both the local and international levels. The findings of this study revealed that money laundering and drug trafficking are the most commonly prevailing legal and, social and economic issue in the country. Despite of currently established legal framework related to money laundering and narcotic trafficking ,Sri Lanka has a long way to go to achieve globally accepted anti -money laundering and anti- narcotic standards.

Therefore, this research is intended to investigate upon the relevant laws and practices within the money laundering and drug trafficking under the existing legal system with the objects of finding the existing practices, their shortcomings and ways in which to improve and eradicate the cycle of money laundering and drug trafficking in Sri Lanka.