



**EMBASSY AND PERMANENT MISSION  
OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA IN AUSTRIA**

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The Embassy and Permanent Mission of the Democratic Socialist Republic of Sri Lanka in Vienna presents its compliments to the Secretariat of the Conference of the States Parties to the United Nations Convention Against Corruption and with reference to the latter's Note Verbale date 8 March 2018 with regard to UNCAC Resolution 7/2 entitled "*Preventing and combating corruption in all its forms more effectively, including when it involves vast quantities of assets, based on a comprehensive and multidisciplinary approach in accordance with the Convention*" has the honour to forward the information received in this regard from the Commission to Investigate Allegations of Bribery or Corruption Republic of Sri Lanka.

The Embassy and Permanent Mission of the Democratic Socialist Republic of Sri Lanka in Vienna avails itself of this opportunity to renew to the Secretariat of the Conference of the States Parties to the United Nations Convention against Corruption, the assurances of its highest consideration.



Vienna, 16 April, 2018

**Embassy and Permanent Mission  
of the Democratic Socialist  
Republic of Sri Lanka  
Vienna**

Secretariat of the United Nations Convention against Corruption  
Vienna, Austria

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UNODC Communication regarding information to be provided under UNCAC resolution 7/2 entitled “Preventing and combating corruption in all its forms more effectively, including when it involves vast quantities of assets, based on a comprehensive and multidisciplinary approach in accordance with the Convention”

1. Experience and best practices on criminal and civil measures and remedies to enhance international cooperation and asset recovery related to corruption, when it involves vast quantities of assets.
  - i. Sri Lanka actively and positively responded to the cross-border wire transfers and assisted Bangladesh and Thailand as a part of its international corporation. Criminal Investigation Department (CID) and the Financial Intelligence Unit (FIU) of Central Bank immediately responded to the request for information from Bangladesh and Taiwan on cross-border wire-transfers occurred recently. Sri Lanka has detected and seized stolen assets amounting to USD 20 Million and repatriated the same to Bangladesh. CID was able to trace 9 more fraudulent wire-transfers committed by foreign nationals.
  - ii. Sri Lanka has submitted more than 100 Mutual Legal Assistance requests, both treaties based and reciprocity based, to other countries seeking international cooperation on asset related corruption investigations.
  - iii. Sri Lanka is frequently and actively engaged in Egmont Group INTERPOL and Police to Police assistance.
  - iv. Sri Lanka has also partnered with Switzerland, United States and United Kingdom to enhance its capacity to deal with international cooperation on asset recovery and related investigation. The active cooperation is ongoing.
  - v. Sri Lanka’s delegation headed by Hon. Attorney General including the members of the Special Presidential Task Force on Stolen Assets Recovery (START), Commission to Investigate Allegations of Bribery or Corruption (CIABOC), CID and Financial Crime Investigation Division (FCID) took part actively in the Global Forum on Asset Recovery (GFAR) Summit focused on recovery of stolen assets from four identified countries including Sri Lanka. In addition to that, there were several meetings with counterparts from 9 countries with a view to share the lessons learnt.

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- vi. Sri Lanka is an active partner of World Bank StAR Initiative. Sri Lanka has sought and received technical assistance from StAR in the process of drafting policy papers on legislations (eg. Policy paper on Proceeds of Crimes Act) and amendments to the existing legislations (Declaration of Assets and Liabilities Law, No.1 of 1975)
  - vii. President of Sri Lanka has headed the Sri Lanka delegation in the Global Anti Corruption Summit, in May 2016 in London on the invitation of British Prime Minister.
  - viii. Sri Lanka is in the process of drafting the following legislation –
    - a. Policy paper is being drafted to enact a Proceeds of Crime Act.
    - b. Mutual Legal Assistance in Criminal Matters Act, No. 25 of 2002 is being amended widening its scope of application on MLA requests.
    - c. Financial Transactions Reporting Act, No.6 of 2006 is being amended filling lacunas in law on money laundering and related offences.
  - ix. The Cabinet of Ministers has approved a National Action Plan in Anti Corruption which would include the proceeds of crime regime.
2. Best practices in the identification of legal and natural persons, involved in the establishment of corporate entities, including shell companies, trusts and other similar arrangements which may be abused to commit or conceal crimes of corruption or to hide, disguise or transfer their proceeds of corruption to countries that provide safety to the corrupt and/or their proceeds.
- i. Enhancing the transparency of corporate vehicles the Companies Act, No.7 of 2007 of Sri Lanka contains legal provisions to provide information on a company's name and the address of its registered office, shareholders, members, containing the names and addresses of shareholders and members and number of shares held by each shareholder, categories of shares memorandum and articles of association to the Registrar of Companies. These information is collected both at the time of the incorporation of a company and at annual statements.
  - ii. Public access to such information is available under the Companies Act allowing Financial Institutions (FIs) and Designated Non-Finance Businesses

and Professions (DNFBPs) to use such information for Customer Due Diligence (CDD) purposes.

- iii. Companies Act is being currently amended to include beneficial ownership information.
- iv. All Financial Institutions of the country are required to carry out Know Your Customer (KYC) policy and CDD and to submit FIU on Suspicious Transactions Reports (STRs). Based on the STRs the FIU identifies risks. Non-reporting of such information by a FI is an offence carrying a sanction.
- v. The FIU, Sri Lanka has issued rules under Financial Transactions Reporting Act, No. 6 of 2006 requiring all Designated Non-Financial Businesses and Professionals (DNFBPs) to carry out CDD and to report FIU on suspicious transactions. This responsibility entails sanctions for non-compliances. FIU acts as a monitoring and supervising body of FIs and DNFBPs on compliance of CDD requirements.
- vi. Trusts Ordinance, No.9 of 1917 contains provisions to provide information on trusts including information on the settler, trustee and beneficiaries.
- vii. Public access is available to the Trust Register enabling the investigative authorities to collect timely information on financial investigations.
- viii. Trusts Ordinance, No.9 of 1917 is being currently amended to include information as to beneficial ownership.
- ix. Having accessed the public documents at the Company Registry, Trust Registry, Stock Exchange Commission (on listed companies), Inland Revenue Department, Land Registry, Registrar of Motor Vehicles etc. the law enforcement authorities follow the money in financial investigations involving suspect accounts/assets held by corporate vehicles through identification of responsible natural persons for any activity at question or who have information to further investigations.
- x. In addition, Commission to Investigate Allegations of Bribery or Corruption under its Act, No. 19 of 1994 has the power under section 5 (1) of the Act to

call information from any public officer pertaining to its investigations. This Act is being amended to make the law compatible with the UNCAC provisions.

- xi. STAR has been set up including all investigative authorities based on a cabinet decision. This has provided a platform to have a better coordination between investigative authorities on the subject.
- xii. Declaration of Assets and Liabilities Act, No. 1 of 1975 is being amended to have a comprehensive law requesting all public servants to declare all information relating to their assets including the beneficial ownerships.
- xiii. FIU has entered into Memorandums of Understanding (MoUs) with number of government institutions to share inter-agency information.