

## Practice of Anti Money Laundering in Sri Lanka

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### **Abstract**

This study investigates the effectiveness of anti-money laundering procedures of Sri Lankan financial institutions. This research has used both primary and secondary for the purpose of analysis and the sources of data include interviewed data from the managers of financial institutions and publications of financial institutions. In order to evaluate the anti-money laundering procedures of financial institutions this study has selected banking sector. And from banking sector ten commercial banks, three specialized banks and two finance companies have been selected. Propositions of this study are Local banks use anti money laundering counter measures given by authorities to prevent money laundering, local banks have limitations for anti-money laundering procedures and Local banks use anti money laundering compliances which are up to international standards. Through result of the study it can be concluded that Sri Lankan financial institutions adhere to Financial Action Task Force recommendations and all the institutions follow regulations incorporated in Sri Lanka with regard to anti money laundering but still there are limitations for anti-money laundering procedures in Sri Lanka.

**Keywords:** *Money Laundering, Financial Institution, Terrorist Financing, Financial Action Task Force, Regulations*