



Office of the Chief Executive Officer

Company No: GL 12
04-01, West Block,
World Trade Center, Echelon Square,
Colombo 00100, Sri Lanka.

Voice : +94 11 2356500
Fax : +94 11 2440165
rajeeva@cse.lk
www.cse.lk

21st October 2025

To: Chief Executive Officers/Managing Directors of Trading, Depository and Clearing Participants

CIRCULAR NO: 08-10-2025

Dear Sir / Madam,

DIRECTIVE ISSUED UNDER AND IN TERMS OF SECTION 16 (C) OF THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA ACT NO 19 OF 2021 (SEC ACT) READ WITH SECTIONS 16 (A) 16 (K) 16 (L) AND 16(X) OF THE SEC ACT

COMPLIANCE WITH THE APPLICABLE LAWS AND RULES, DIRECTIONS, REGULATIONS, GUIDELINES AND CIRCULARS ISSUED BY THE FINANCIAL INTELLIGENCE UNIT OF SRI LANKA (FIU) RELATING TO ANTI-MONEY LAUNDERING (AML), COUNTERING THE FINANCING OF TERRORISM (CFT) AND COUNTERING PROLIFERATION FINANCING (CPF)

Please find enclosed a copy of Directive Dated 03rd October 2025 (SEC/DDG/2025/10/66) issued by the Securities and Exchange Commission of Sri Lanka (SEC) regarding the above subject, the content of which is self-explanatory.

As per the aforesaid Directive, **All Participants** are required to ensure compliance with the applicable Laws, Rules, Directions, Regulations, Guidelines and Circulars issued by the Financial Intelligence Unit of Sri Lanka in relation to the securities market to which the SEC is the supervisory authority.

Yours faithfully,

Rajeeva Bandaranaike
Chief Executive Officer

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SECURITIES AND EXCHANGE
COMMISSION OF SRI LANKA

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03rd October 2025

Ref: SEC/DDG/2025/10/66

TO: ALL MARKET INSTITUTIONS AND MARKET INTERMEDIARIES

DIRECTIVE ISSUED UNDER AND IN TERMS OF SECTION 16(c) OF THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA ACT NO 19 OF 2021 (SEC ACT) READ WITH SECTIONS 16(a), 16(k), 16(l) and 16(x) OF THE SEC ACT.

COMPLIANCE WITH THE APPLICABLE LAWS AND THE RULES, DIRECTIONS, REGULATIONS, GUIDELINES AND CIRCULARS ISSUED BY THE FINANCIAL INTELLIGENCE UNIT OF SRI LANKA (FIU) RELATING TO ANTI-MONEY LAUNDERING (AML), COUNTERING THE FINANCING OF TERRORISM (CFT) AND COUNTERING PROLIFERATION FINANCING (CPF).

Section 23 of the Financial Transactions Reporting Act No 06 of 2006 (FTRA), has imposed an obligation on the Securities and Exchange Commission of Sri Lanka (SEC) as the relevant supervisory authority of the securities market in Sri Lanka to ensure that all its regulatees comply with the provisions of the FTRA including verification through regular examinations.

Sri Lanka is a member of the Asia Pacific Group on Money Laundering (APG) which is one of the regional affiliated bodies of the Financial Action Task Force (FATF), the global policy setter on combatting money laundering/terrorist financing/proliferation financing (ML/TF/PF) including the related offences. The FATF has introduced International Standards on combatting ML/TF/PF (The FATF Recommendations) to monitor the level of compliance of jurisdictions including that of Sri Lanka with the said Recommendations.

In terms of the FTRA, Institutions that carry out finance business and designated non-finance business are obliged to comply with the provisions of the FTRA.

The Prevention of Money Laundering Act No 05 of 2006 (as amended) (PMLA) impose obligations on persons and institutions to combat and prevent money laundering.

The Convention on the Suppression of Terrorist Financing Act No 25 of 2005 (as amended) (CSTFA) impose obligations on persons and institutions to combat and prevent the offence of financing of a terrorist act, a terrorist or terrorists or a terrorist organization.

The Rules, Directions, Regulations, Guidelines and Circulars including the Financial Institutions (Customer Due Diligence) Rules, No 01 of 2016 (as amended in 2018) issued by the FIU shall apply to every Institution which engage in finance business and designated non-finance business to combat and prevent money laundering, terrorist financing and proliferation financing.

Accordingly, all Market Institutions and Market Intermediaries are hereby directed to ensure their compliance with the applicable Laws, Rules, Directions, Regulations, Guidelines and Circulars issued by the Financial Intelligence Unit of Sri Lanka in relation to the securities market to which the SEC is the relevant supervisory authority.

This Directive shall have immediate effect and you are further informed that any non-compliance thereof shall be dealt with in terms of the law by the FIU or the SEC, as applicable.

Tushara Jayaratne
OFFICER-IN-CHARGE

SP/sp/BH/WS/TP