

**BY HAND**

Ref: SUP/18/10/641

29th October 2018

To: Chief Executive Officers of all Market Intermediaries and Unit Trust Managing Companies

Dear Sir/Madam

IMPLEMENTATION OF THE PROVISIONS OF "UNSCR 2231 – IMPLEMENTATION PRACTICES AND ENFORCEMENT OBLIGATIONS DIRECTIVES, NO. 1 OF 2018"

The Minister of Foreign Affairs, acting under Section 2 of the United Nations Act, No. 45 of 1968, has issued the United Nations (Sanctions in relation to Iran) Regulations No. 1 of 2018 (as amended).

The Secretary of Defence, as the Competent Authority for the effective implementation of the above Regulations, has issued the UNSCR 2231 – Implementation Practices and Enforcement Obligations Directives, No. 1 of 2018 (Annexure I), for the regulatory/supervisory authorities of institutions who may be involved in financial transactions with individuals and entities in Iran.

Accordingly, the contents of the Directive aforesaid are brought to the notice of all regulated entities for due implementation and compliance.

Yours faithfully

Gayani Godellawatta

DIRECTOR SUPERVISION

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ආරක්ෂක අමාත්‍යාංශය, අංක 15/5, බාලදක්ෂ මාවත, කොළඹ 03, ශ්‍රී ලංකාව

பாதுகாப்பு அமைச்சு, இல. 15/5, ஈலதக்ஷ மாவத்தை, கலாழும்பு 03, இலங்கை

MINISTRY OF DEFENCE, No. 15/5, Baladaksha Mawatha, COLOMBO 03, SRI LANKA- ministry@defence.lk

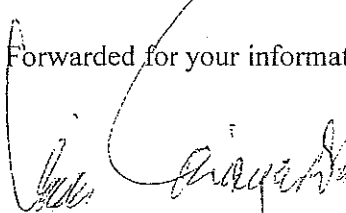
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UNSCR 2231 IMPLEMENTATION PRACTICES AND ENFORCEMENT OBLIGATIONS
DIRECTIVES NO. 1 OF 2018

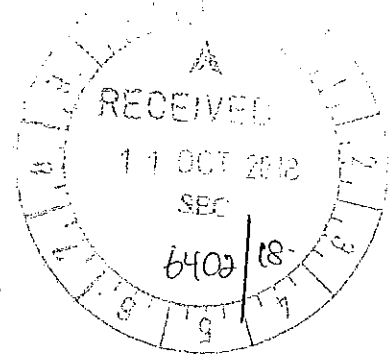
Sending herewith please find UNSCR 2231 Implementation Practices and Enforcement Obligations Directive No. 1 of 2018.

Forwarded for your information and necessary action please.


KAPILA WAIDYARATNE
President's Counsel
Secretary
Ministry of Defence
Competent Authority

Distribution:

Secretary / Ministry of Public Administration, Management and Law and Order
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To:

The Financial Intelligence Unit of Sri Lanka
Bank Supervision Department, Central Bank of Sri Lanka
Department of Supervision of Non-Bank Financial Institutions, Central Bank of Sri Lanka
Payments and Settlements Department, Central Bank of Sri Lanka
Securities and Exchange Commission of Sri Lanka
Insurance Regulatory Commission of Sri Lanka
Department of Foreign Exchange, Central Bank of Sri Lanka
Registrar General's Department
Sri Lanka Customs
Department of Immigration and Emigration
Law Enforcement Agencies
Regulatory or Supervisory Authorities for Non-profit Organizations
Regulatory or Supervisory Authority of any other Institutions as the case may be,

United Nations (Sanctions in relation to Iran) Regulations, No. 1 of 2018

Directives issued by the Competent Authority, under Regulation 20 of the United Nations (Sanctions in relation to Iran) Regulations, No. 1 of 2018.



KAPILA WAIDYARATNE
President's Counsel
Secretary
Ministry of Defence
Competent Authority

Colombo

..19th... October 2018

Directives Issued under the United Nations (Sanctions in relation to Iran) Regulations,

No. 1 of 2018

1. These Directives are issued under Regulation 20 of the United Nations (Sanctions in relation to Iran) Regulations, No. 1 of 2018 and shall be cited as Directives Issued under the United Nations (Sanctions in relation to Iran) Regulations, No. 1 of 2018 (hereinafter referred to as Directives).

persons/entities list; and ascertain whether designated persons/entities are in possession or holding or having custody of any funds and other assets, financial services with the Institutions.

- (iii) In the event where a customer or client is identified by an Institution as specified within Part III and Part IV of the Regulations as,
- a. matching with the particulars of a designated person/entity, or
 - b. acting at the direction of or on behalf of or for the benefit of any designated person/entity, or
 - c. being owned or controlled by any designated person/entity,
- the Institution is hereby directed to;
- i. immediately freeze the funds and other assets where appropriate, belonging to such customer, client, person or entity, and
 - ii. report by way of a Suspicious Transactions Report (STR) to the FIU as prescribed under the Financial Transactions Reporting Act, No. 6 of 2006 (FTRA); the details of the frozen funds and other assets, financial services, and any subsequent transaction or attempted transactions on such frozen funds and other assets.
- (iv) The regulatory or supervisory authorities are directed to carry out training and outreach for Institutions coming within their purview, as may be feasible, on matters coming under the Regulations and these Directives.
- (v) Without prejudice to penal sanctions implemented pursuant to Regulation 12 of the Regulations, where an Institution fails to comply with or violate any of the obligations imposed under the Regulations or these Directives, considering the nature and gravity of the circumstances of such non-compliance or violation, the regulatory or supervisory authority of such Institution is directed to issue a warning letter or a censure or a letter of severe reprimand as the circumstances may warrant, followed up by an action plan requiring the Institution to ensure compliance with the Regulations;
- (vi) The imposition of any administrative sanction as specified in Directive 3(v) shall not preclude a regulatory or supervisory authority from taking any regulatory or disciplinary measures, including but not limited to, the suspension of such Institution from the carrying on of business or profession or the cancellation of a license or authority granted for the carrying on of a business or profession, as maybe permitted in terms of any applicable written law or rules for the regulation or supervision of such Institution, and any ongoing or concluded prosecution pursuant to Regulation 12 of the Regulations shall not be deemed as preventing such imposition of administrative sanction.