

Government Notice No. 112 of 2025

**THE FINANCIAL INTELLIGENCE AND ANTI-MONEY
LAUNDERING ACT**

**Regulations made by the Minister under sections 19H(1)(d)(iii)
and 35 of the Financial Intelligence and
Anti-Money Laundering Act**

1. These regulations may be cited as the Financial Intelligence and Anti-Money Laundering (Administrative Penalties) Regulations 2025.

2. In these regulations –

“Act” means the Financial Intelligence and Anti-Money Laundering Act;

“breach” means a breach as described in the second column of the First Schedule.

3. For the purpose of section 19H(1)(d)(iii) of the Act, a regulatory body may impose an administrative penalty on any member of a relevant profession or occupation falling under its purview where that member commits any of the breaches specified in the First Schedule.

4. In imposing an administrative penalty under regulation 3, the regulatory body shall take the following factors into consideration –

- (a) the nature, gravity and duration of the breach;
- (b) any action taken by the member upon becoming aware of the breach;
- (c) the compliance history and general conduct of the member;
- (d) recurrent breach and previous sanctions for the same breach, if any;

- (e) any disciplinary action taken by the member against any person who has committed or contributed to the breach;
- (f) any prior remedial action required of the member by the regulatory body and the degree of compliance with such remedial measure;
- (g) the economic impact of the administrative penalty on the member; and
- (h) any other relevant factor that the regulatory body deems appropriate.

5. A regulatory body shall, after taking into consideration the factors specified in regulation 4, impose the appropriate amount of penalty in accordance with the second column of the Second Schedule.

6. These regulations shall come into operation on 18 November 2025.

Made by the Minister on 18 November 2025.

FIRST SCHEDULE

[Regulations 3 and 4]

BREACH OF LEGAL OBLIGATION

BREACH	GRAVITY OF BREACH
1. Failure to comply with a direction issued by a regulatory body in accordance with sections 19H(1)(b) and 19L of the Financial Intelligence and Anti-Money Laundering Act	Moderate to High
2. Failure to submit a report on corrective measures in accordance with section 19H(1)(c) of the Financial Intelligence and Anti-Money Laundering Act	Moderate to High
3. Failure to provide information requested by the regulatory body in accordance with sections 19FA(1) and 19J(1) of the Financial Intelligence and Anti-Money Laundering Act	Moderate to High
4. Failure to provide information and produce any record within the time and at the place determined by a regulatory body in accordance with sections 19FA(1) and 19J(1) of the Financial Intelligence and Anti-Money Laundering Act	Low to Moderate

BREACH	GRAVITY OF BREACH
5. Failure to establish, monitor or maintain a record in writing of policies, controls and procedures in accordance with section 17A of the Financial Intelligence and Anti-Money Laundering Act	Moderate to High
6. Failure to identify, assess and understand money laundering and terrorism financing risks in accordance with section 17(1) of the Financial Intelligence and Anti-Money Laundering Act	Moderate to High
7. Failure to identify and assess the money laundering and terrorism financing risks that may arise in relation to the launching of new products, new business practices and the use of new or developing technologies and take appropriate measures to manage and mitigate these risks in accordance with section 17(3) of the Financial Intelligence and Anti-Money Laundering Act and regulation 19 of the Financial Intelligence and Anti-Money Laundering Regulations 2018	Moderate to High

BREACH	GRAVITY OF BREACH
8. Failure to appoint a Money Laundering Reporting Officer and a Deputy Money Laundering Reporting Officer in accordance with regulations 26(1), (2) or (4) of the Financial Intelligence and Anti-Money Laundering Regulations 2018	High
9. Failure to establish, maintain and operate reporting and disclosure procedures in accordance with regulation 26(3) of the Financial Intelligence and Anti-Money Laundering Regulations 2018.	High
10. Failure to designate a compliance officer at senior management level to be responsible for the implementation and ongoing compliance with internal programmes, controls and procedures in accordance with regulation 22(1)(a) of the Financial Intelligence and Anti-Money Laundering Regulations 2018	High
11. Failure to conduct screening procedures to ensure high standards when hiring employees in accordance with regulation 22(1)(b) of the Financial Intelligence and Anti-Money Laundering Regulations 2018	Moderate

BREACH	GRAVITY OF BREACH
12. Failure by reporting persons to provide a training for its directors, officers and employees to maintain awareness of the laws and regulations relating to money laundering and terrorism financing in accordance with regulation 22(1)(c) of the Financial Intelligence and Anti-Money Laundering Regulations 2018	Moderate to High
13. Failure to implement an independent audit function in accordance with regulation 22(1)(d) the Financial Intelligence and Anti-Money Laundering Regulations 2018	High
14. Failure to undertake customer due diligence measures in accordance with sections 17C and 17E of the Financial Intelligence and Anti-Money Laundering Act, and regulations 3, 4, 5, 8 and 10 of the Financial Intelligence and Anti-Money Laundering Regulations 2018	High
15. Failure to conduct enhanced customer due diligence measures in accordance with sections 17C(3) and (4) of the Financial Intelligence and Anti-Money Laundering Act, and regulations 12 and 24(3) of the Financial Intelligence and Anti-Money Laundering Regulations 2018	High

BREACH	GRAVITY OF BREACH
16. Failure to maintain books and records in accordance with section 17F of the Financial Intelligence and Anti-Money Laundering Act	High
17. Failure to conduct ongoing monitoring in accordance with regulations 3(1)(e) and 15(1)(d) of the Financial Intelligence and Anti-Money Laundering Regulations 2018	High
18. Failure to identify and take reasonable measures to verify the identity of the beneficial owners in accordance with regulations 6, 7 and 9 of the Financial Intelligence and Anti-Money Laundering Regulations 2018	Moderate to High
19. Failure to verify the identity of a customer and beneficial owner in accordance with regulation 9 of the Financial Intelligence and Anti-Money Laundering Regulations 2018	Moderate to High
20. Failure to make a suspicious transaction report in accordance with regulation 8(5) of the Financial Intelligence and Anti-Money Laundering Regulations 2018	High

BREACH	GRAVITY OF BREACH
21. Failure to implement group-wide programme against money laundering and terrorism financing in accordance with regulation 23 of the Financial Intelligence and Anti-Money Laundering Regulations 2018	High
22. Failure to comply with regulation 21 of the Financial Intelligence and Anti-Money Laundering Regulations 2018 when relying on third parties to perform customer due diligence measures under section 17D of the Financial Intelligence and Anti-Money Laundering Act	Moderate to High
23. Failure to comply with the measures relating to a high risk country in accordance with section 17H of the Financial Intelligence and Anti-Money Laundering Act and regulation 24 of the Financial Intelligence and Anti-Money Laundering Regulations 2018	Moderate to High
24. Failure to implement internal controls and other procedures in accordance with section 41 of the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act	Moderate to High

BREACH	GRAVITY OF BREACH
25. Failure to implement prescribed measures relating to a PEP in accordance with regulation 15 of the Financial Intelligence and Anti-Money Laundering Regulations 2018	Moderate to High
26. Establishing or maintaining an anonymous account or an account in a fictitious name contrary to section 17B of the Financial Intelligence and Anti-Money Laundering Act	High
27. Entering into or continuing a business relationship or occasional transaction with a shell bank contrary to regulation 17 of the Financial Intelligence and Anti-Money Laundering Regulations 2018	High
28. Failure to establish, document, maintain and operate reporting procedures in accordance with regulation 27 of the Financial Intelligence and Anti-Money Laundering Regulations 2018	Moderate to High
29. Failure to comply with regulations 28 and 29 of the Financial Intelligence and Anti-Money Laundering Regulations 2018 in relation to a suspicious activity, an unusual activity or internal disclosure	High

BREACH	GRAVITY OF BREACH
30. Failure to maintain registers of internal and external disclosure in accordance with regulation 30 of the Financial Intelligence and Anti-Money Laundering Regulations 2018	High
31. Failure to register with FIU in accordance with section 14C of the Financial Intelligence and Anti-Money Laundering Act and the Financial Intelligence and Anti-Money Laundering (Registration by Reporting Person) Regulations 2019	High
32. Dealing with funds or other assets of a designated or listed party contrary to section 23 of the United Nations (Financial Prohibitions, Arms Embargo and Travel ban) Sanctions Act	High
33. Making funds or other assets available to a designated or listed party contrary to section 24 of the United Nations (Financial Prohibitions, Arms Embargo and Travel ban) Sanctions Act	High
34. Failure to comply with reporting obligations under section 25 of the United Nations (Financial Prohibitions, Arms Embargo and Travel ban) Sanctions Act	High

BREACH	GRAVITY OF BREACH
35. Failure to give the regulatory body full and free access to records and other documents during on-site inspections in breach of section 19K(3) of the Financial Intelligence and Anti-Money Laundering Act	Moderate to High
36. Failure by compliance officer to implement and ensure ongoing compliance with internal programmes, controls and procedures in breach of regulation 22(1)(a) of the Financial Intelligence and Anti-Money Laundering Regulations 2018	Moderate to High
37. Failure to provide access for onsite inspection to the regulatory body contrary to section 19K(1) of the Financial Intelligence and Anti-Money Laundering Act	Moderate to High
38. Failure to provide information in relation to the National Risk Assessment contrary to section 19E(2)(b) of the Financial Intelligence and Anti-Money Laundering Act	Moderate to High

BREACH**GRAVITY OF
BREACH**

39. Disclosing suspicious transaction report that is being filed or has been filed or that related information is being or has been requested by, furnished or submitted to FIU contrary to section 16 of the Financial Intelligence and Anti-Money Laundering Act
-

High

SECOND SCHEDULE

[Regulation 5]

ADMINISTRATIVE PENALTY

Gravity of Breach	Range of Penalties (Rs)
Low	5,000-25,000
Moderate	25,001-100,000
High	100,001-250,000