



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**PREVENTION OF MONEY LAUNDERING
(AMENDMENT)**

**A
BILL**

to amend the Prevention of Money Laundering Act, No. 5 of 2006

*Presented by the Prime Minister and Minister of Education,
Higher Education and Vocational Education on 05th of May, 2026*

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STATEMENT OF LEGAL EFFECT

Clause 2: This clause amends section 2 of the Prevention of Money Laundering Act, No. 5 of 2006 (in this Act referred to as the “principal enactment”) and the legal effect of the section as amended is to broaden the applicability of the provisions of the Act.

Clause 3: This clause amends section 3 of the principal enactment and the legal effect of the section as amended is to broaden the scope of the offence of money laundering and to provide for the removal of the minimum jail term specified for that offence.

Clause 4: This clause inserts a new section 3A in the principal enactment to exclude the necessity of a conviction for the commission of an unlawful activity for the proof of the offence of money laundering.

Clause 5: This clause amends section 4 of the principal enactment for the purpose of clarity.

Clause 6: This clause amends section 5 of the principal enactment and the legal effect of the section as amended is to increase the fine for failure to disclose information relating to properties connected with the offence of money laundering.

Clause 7: This clause amends section 6 of the principal enactment and the legal effect of the section as amended is to increase the fine imposed for divulging information relating to investigations into the offence of money laundering.

Clause 8: This clause amends section 7 of the principal enactment and the legal effect of the section as amended is –

- (a) to provide for the issuing of a Freezing Order on any property or property of corresponding value which may have been used in committing the offence of money laundering; and
- (b) to increase the punishment for the contravention of a Freezing Order.

Clause 9: This clause amends section 8 of the principal enactment and the legal effect of the section as amended is –

- (a) to extend the time period applicable for making an application for the confirmation of a Freezing Order and the period of extension of a Freezing Order; and
- (b) to provide for the High Court to publish the notice of a Freezing Order.

Clause 10: This clause replaces section 9 of the principal enactment and the legal effect of that section is to prohibit transactions in relation to property subject to the Freezing Order, except with the permission of the Court.

Clause 11: This clause replaces section 10 of the principal enactment and the legal effect of that section is to provide for sanctioning essential transactions relating to the property subject to a Freezing Order.

Clause 12: This clause replaces section 11 of the principal enactment and the legal effect of that section is to provide for the protection, preservation, management and disposal of property subject to a Freezing Order.

Clause 13: This clause amends section 12 of the principal enactment and the legal effect of the section as amended is to provide for a police officer to take possession of the property subject to a Freezing Order to ascertain its ownership, possession, etc.

Clause 14: This clause inserts a new section 12A in the principal enactment to provide for issuing a Freezing Order in relation to any other property connected to a property subject to a Freezing Order.

Clause 15: This clause amends section 13 of the principal enactment and the legal effect of the section as amended is to provide for -

- (a) the forfeiture of criminal property or property of corresponding value upon conviction of a person for money laundering; and
- (b) applying to the Court for compensation for any loss suffered due to an Order of Forfeiture.

Clause 16: This clause amends section 14 of the principal enactment and the legal effect of the section as amended is to provide for restoring the rights of *bona fide* claimants over the property subject to a Freezing Order.

Clause 17: This clause replaces section 15 of the principal enactment and the legal effect of that section is to dispose forfeited property in accordance with the provisions of the Proceeds of Crime Act, No. 5 of 2025.

Clause 18: This clause inserts new sections 17A, 17B, 17C, 17D and 17E in the principal enactment and those new sections provide for –

- (a) furnishing an affidavit or sworn statement by a person subject to an investigation and the admissibility of such affidavit and sworn statement;
- (b) imposing a penalty for giving false evidence; and
- (c) special investigation techniques to be used and establishment of a joint investigation team when conducting an investigation.

Clause 19: This clause amends section 19 of the principal enactment and it is consequential to the amendment made by clause 12.

Clause 20: This clause amends section 20 of the principal enactment and the legal effect of the section as amended is to increase the punishments imposed for offences under the principal enactment.

Clause 21: This clause inserts new section 21 of the principal enactment and the legal effect of that section is to provide for exchange of information of court proceedings with foreign law enforcement agencies.

Clause 22: This clause replaces section 22 of the principal enactment and the legal effect of that section is to provide for the transfer of forfeited property or value of the property to a foreign country.

Clause 23: This clause amends section 26 of the principal enactment for the purpose of clarity.

Clause 24: This clause replaces section 27 of the principal enactment and the legal effect of that section is to provide for the application of the Mutual Assistance in Criminal Matters Act, No. 25 of 2002 in respect of providing assistance between Government of Sri Lanka and foreign countries.

Clause 25: This clause amends section 28 of the principal enactment for the purpose of clarity.

Clause 26: This clause amends section 29 of the principal enactment for the purpose of clarity.

Clause 27 : This clause amends section 30 of the principal enactment for the purpose of clarity.

Clause 28: This clause amends section 31 of the principal enactment for the purpose of clarity.

Clause 29: This clause amends section 32 of the principal enactment and the legal effect of the section as amended is to provide for rendering assistance to other countries in proceedings relating to forfeiture of property.

Clause 30: This clause amends section 33 of the principal enactment and the legal effect of the section as amended is to specify the time period to publish regulations in the *Gazette*.

Clause 31: This clause replaces section 35 of the principal enactment to insert certain additional definitions.

Prevention of Money Laundering (Amendment)

L.D.-O. 41/2021

AN ACT TO AMEND THE PREVENTION OF MONEY
LAUNDERING ACT, NO. 5 OF 2006

BE it enacted by the Parliament of the Democratic Socialist
Republic of Sri Lanka as follows: -

1. This Act may be cited as the Prevention of Money Laundering (Amendment) Act, No. of 2026. Short title

5 2. Section 2 of the Prevention of Money Laundering Act, No. 5 of 2006 (in this Act referred to as the “principal enactment”) is hereby amended by the repeal of paragraph (c) of that section and the substitution therefor, of the following paragraphs: - Amendment of section 2 of Act, No.5 of 2006

10 “(c) an act which constitutes an offence under this Act, which is committed in Sri Lanka;

 (d) an act committed within any jurisdiction outside Sri Lanka which would either constitute an offence corresponding to the offence of money laundering in that jurisdiction or which would, if committed in Sri Lanka, amount to the offence of money laundering or an unlawful activity within the meaning of this Act;

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 (e) a person who commits an act referred to in paragraph (d) within any jurisdiction outside Sri Lanka; and

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 (f) an act which constitutes an offence under this Act committed either wholly or partly in Sri Lanka or outside Sri Lanka.”.

3. Section 3 of the principal enactment is hereby amended as follows: -

Amendment
of section 3 of
the principal
enactment

(1) in subsection (1) of that section –

5 (a) by the substitution for the words “from the proceeds of any unlawful activity”, of the words “from the proceeds of any unlawful activity or any conversion of such property”, wherever those words appear in that subsection;

(b) in paragraph (b) of that subsection-

10 (i) by the substitution for the words “receives, possesses, conceals, disposes of,”, of the words “uses, purchases, receives, possesses, conceals, disposes of, transfers,” and

15 (ii) by the substitution for the words “from the proceeds of any unlawful activity,”, of the words “from the proceeds of any unlawful activity or any conversion of such property;”;

20 (c) by the addition immediately after paragraph (b) of that subsection, of the following new paragraph: -

25 “(c) acquires a beneficial ownership of any property which is derived or realised, directly or indirectly, from any unlawful activity or from the proceeds of any unlawful activity or any conversion of such property;”;
and

(d) by the substitution for the words “for a period of not less than five years and”, of the words “for a period”;

5 (2) in subsection (2) of that section, by the substitution for the words “aids or abets, the commission of”, of the words “aids or abets, or facilitates or counsels others in, the commission of”; and

(3) by the repeal of subsection (3) of that section.

10 **4.** The following new section is hereby inserted immediately after section 3 of the principal enactment and shall have effect as section 3A of that enactment: -

Insertion of new section 3A in the principal enactment

“Avoidance of doubt. **3A.** For the avoidance of doubt, it is hereby declared that –

15 (a) a conviction for the commission of the unlawful activity shall not be necessary for the proof of the offence of money laundering; and

20 (b) the provisions of this Act shall not preclude any person from being charged with, or convicted of, an unlawful activity in addition to being charged with, or convicted of, the offence of money laundering.”.

25 **5.** Section 4 of the principal enactment is hereby amended by the substitution for the words “shall be deemed”, of the words “shall be presumed,” and for the words “are the proceeds of any unlawful activity,”, of the words “are the proceeds of any unlawful activity or any conversion of such property,”.

Amendment of section 4 of the principal enactment

6. Section 5 of the principal enactment is hereby amended in subsection (2) of that section, by the substitution for the words “a fine not exceeding fifty thousand rupees”, of the words “a fine not exceeding five hundred thousand rupees”. Amendment of section 5 of the principal enactment

5 7. Section 6 of the principal enactment is hereby amended by the substitution for the words “a fine not exceeding one hundred thousand rupees”, of the words “a fine not exceeding one million rupees”. Amendment of section 6 of the principal enactment

10 8. Section 7 of the principal enactment is hereby amended as follows: - Amendment of section 7 of the principal enactment

(1) by the repeal of subsection (1) of that section and the substitution therefor, of the following subsection: -

15 “(1) A police officer not below the rank of an Assistant Superintendent of Police may, where there are reasonable grounds to believe that any person is involved in any activity relating to the offence of money laundering and it is necessary to prevent further acts being committed in relation to such offence or
20 dissipation of property reasonably believed to be criminal property, issue an order prohibiting any transaction in relation to such property or any property of corresponding value of such property which may have been used or which
25 may be intended to be used in connection with such offence (hereinafter referred to as a “Freezing Order”).”;

(2) by the repeal of subsection (2) of that section and the substitution therefor, of the following subsection: -

30 “(2) A Freezing Order issued under subsection (1) shall be served on or communicated to –

5 (a) (i) any person who is in possession, occupation, or control of, or is enjoying any benefits from, the property which is subject to the Freezing Order; or

(ii) any person who is believed to be having an interest in the property which is subject to the Freezing Order; and

10 (b) any other person or Institution who or which may be required to give effect to such Freezing Order.”;

15 (3) in subsection (3) of that section, by the substitution for the words “for a period of seven days”, of the words “for a period of fourteen working days”; and

(4) in subsection (4) of that section, by the substitution –

(a) for the words “not exceeding one hundred thousand rupees”, of the words “not exceeding five million rupees”;

20 (b) for the words “in such account, property or investment”, of the words “in such property”; and

(c) for the words “not exceeding one year”, of the words “not exceeding two years”.

25 **9.** Section 8 of the principal enactment is hereby amended as follows: -

Amendment of section 8 of the principal enactment

(1) in subsection (1) of that section, by the substitution for the words “seven days” wherever those words

appear in that subsection, of the words “fourteen working days”;

(2) in subsection (2) of that section –

5 (a) in paragraph (b) of that subsection, by the substitution for the words “shall not exceed three months”, of the words “shall not exceed four months” and for the words “a period of two years”, of the words “a period of three years”; and

10 (b) in the proviso to that subsection, by the substitution for the words “in respect of the account, property or investment which”, of the words “in respect of the property which”; and

15 (3) by the repeal of subsection (3) of that section and the substitution therefor, of the following subsection: -

20 “(3) Where the High Court confirms a Freezing Order under subsection (2), it shall cause a notice of such Freezing Order to be published in the *Gazette* or at least one newspaper circulating in the Sinhala, Tamil and English languages, in order to facilitate *bona fide* third parties to make an application to the Court in support of their claims to the property which is subject to the Freezing Order.”.

10. Section 9 of the principal enactment is hereby repealed and the following section is substituted therefor: -

Replacement of section 9 of the principal enactment

30 “Transactions in contravention of the Freezing Order to be null and void. **9.** Any transaction shall not, except with the sanction of the Court as provided for in section 10, be effected in relation to any property subject to the Freezing Order while the

Freezing Order is in force, and any transaction so effected shall be null and void:

5 Provided however, there shall be credited to any account forming part of such property or constituting such property itself, any receipts accrued to such account, if any.”.

11. Section 10 of the principal enactment is hereby repealed and the following section is substituted therefor: -

Replacement of section 10 of the principal enactment

10 “High Court to sanction essential and legitimate transactions.

15 **10.** In confirming a Freezing Order made under section 7, if the High Court is of the opinion that such Order could damage legitimate business or other interests of any person affected thereby and that any essential transaction in relation to the property which is subject to such Freezing Order, may be legitimately carried out, the High Court may, on an application made in that behalf or on its own motion, make order –

20 (a) sanctioning the carrying out of such transaction; or

25 (b) sanctioning the carrying out of such transaction under the supervision of the Receiver or Special Manager who may be appointed, or the Proceeds of Crime Management Authority that may be directed, as provided for in section 11.”.

12. Section 11 of the principal enactment is hereby repealed and the following section is substituted therefor: -

Replacement of section 11 of the principal enactment

“Appointment
of a Receiver
etc., upon
confirming
a Freezing
Order.”

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11. (1) Upon confirming a Freezing Order by the High Court under section 8, a police officer not below the rank of an Assistant Superintendent of Police may apply to the High Court for an order for the appointment of a Receiver or Special Manager or for a direction on the Proceeds of Crime Management Authority, as the case may be, in terms of Part IV of the Proceed of Crime Act, No. 5 of 2025 for the purpose of protecting, preserving, managing or disposing of the property which is subject to the Freezing Order.

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(2) The High Court may, on an application made under subsection (1), or on its own motion, appoint a Receiver or Special Manager or direct the Proceeds of Crime Management Authority, as the case may be, in terms of the provisions contained in Part IV of the Proceeds of Crime Act, No. 5 of 2025 for the purpose of protecting, preserving, managing or disposing of the property which is subject to the Freezing Order.”.

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13. Section 12 of the principal enactment is hereby amended as follows: -

Amendment
of section
12 of the
principal
enactment

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(1) by the repeal of subsection (1) of that section and the substitution therefor, of the following subsection: -

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“(1) Any police officer not below the rank of an Assistant Superintendent of Police shall take possession of, and otherwise deal with, the property which is subject to a Freezing Order, and the Court on application made by such police officer or any other police

5 officer not below the rank of an Assistant Superintendent of Police and for the purpose of ascertaining the ownership, possession, beneficial ownership or the person who is in control of such property which is subject to the Freezing Order, may order—

(a) that any document relevant to-

- (i) tracing, tracking, or locating;
- (ii) identifying or quantifying;
- 10 (iii) establishing the ownership, possession, beneficial ownership, or control of; or
- (iv) obtaining any other information pertaining to,

15 such property, be delivered forthwith to such police officer; and

(b) that any institution named in such order furnish to such police officer all documents and information
20 obtained by such institution relating to or concerning the property which is subject to the Freezing Order or any information relating to business transactions conducted by such
25 institution in connection with such property as the Court may direct.”; and

(2) by the repeal of subsection (3) of that section and the substitution therefor, of the following subsection: -

5 “(3) Upon ascertaining the ownership, possession, beneficial ownership or the person who is in control of any property which is subject to a Freezing Order, such police officer shall report the same to the Court which made the order under subsection (1), along with all documents and information obtained, establishing and supporting such ownership, possession, beneficial ownership or control, as
10 the case may be.”.

14. The following new section is hereby inserted immediately after section 12 of the principal enactment and shall have effect as section 12A of that enactment: -

Insertion of new section 12A in the principal enactment

15 “Any other property connected with the property, to be subjected to a Freezing Order.

12A. Where, upon receipt of any document or information ordered to be delivered or furnished under subsection (1) of section 12, such police officer has reasonable grounds to believe that any other property-

20 (a) is connected to the property which is subject to the Freezing Order issued under section 7; or

25 (b) has been derived or realised from any unlawful activity and is connected to the property which is subject to the Freezing Order,

then such police officer shall issue a Freezing Order in relation to such connected property in terms of the provisions of section 7.”.

30 **15.** Section 13 of the principal enactment is hereby amended as follows: -

Amendment of section 13 of the principal enactment

- (1) by the repeal of subsection (1) of that section and the substitution therefor, of the following subsection: -

5 “(1) Where a person is convicted of an offence under section 3, the Court shall, subject to the provisions of subsection (2), order that-

(a) the criminal property which is owned or possessed by, or under the control of, the convicted person or any other person;

10 (b) the criminal property in which the convicted person or any other person has beneficial ownership; or

15 (c) if the circumstances of the case so necessitate, any property of corresponding value of the criminal property,

be forfeited to the State free from all encumbrances.”;

- 20 (2) by the repeal of subsection (1A) of that section and the substitution therefor, of the following subsection:-

25 “(1A) Where such criminal property cannot be found or traced, the Court convicting such person shall order the convicted person or such other person referred to in subsection (1) to pay to the State the corresponding value of such criminal property.”;

- (3) by the repeal of subsection (2) of that section and the substitution therefor, of the following subsection: -

“ (2) The Court shall, before making an Order of Forfeiture under subsection (1), determine on the balance of probabilities upon such inquiry as it may deem necessary, whether such order is likely to prejudice the rights of-

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(a) a *bona fide* purchaser for value of;

(b) any other person who has acquired, for value, a *bona fide* interest in; or

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(c) a third party who has *bona fide* interest in,

such criminal property.”;

(4) by the insertion immediately after subsection (2) of that section, of the following new subsections: -

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“(2A) Any person affected by an Order of Forfeiture made under subsection (1) may make an application for compensation to the Court making such Order within a period of thirty days from the making of such Order stating that he has suffered a loss as a result of such Order.

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(2B) Where an application is made under subsection (2A), the Court making the Order of Forfeiture may, subject to the provisions of subsection (3), upon being satisfied that the applicant has suffered a loss as a result of such Order, order compensation to be paid to such person from the property forfeited.”; and

(5) by the repeal of subsection (3) of that section and the substitution therefor, of the following subsection: -

“(3) An order made under subsection (1) shall take effect –

5 (a) where an appeal has been preferred to or pending before the Court having jurisdiction against the Order of Forfeiture, upon the determination of such appeal confirming or upholding the Order of Forfeiture; or

10 (b) where no appeal has been preferred to the Court having jurisdiction against the Order of Forfeiture within the period allowed therefor, after the expiration of the period within which an appeal may be preferred against such Order of Forfeiture.”.

16. Section 14 of the principal enactment is hereby amended as follows: -

Amendment of section 14 of the principal enactment

20 (1) by the repeal of subsection (1) of that section and the substitution therefor, of the following subsection: -

 “(1) Any person who has neither committed nor concerned in any offence under this Act, and who owns, possesses, or has beneficial ownership in, or is in control of, any property which is subjected to the Freezing Order issued under section 7 may, within thirty days of the notice published under subsection (3) of section 8 apply to the Court which confirmed the Freezing Order, seeking the intervention

of the Court to exclude from such Order any property he owns, possesses, has beneficial ownership in, or is in control of.”; and

(2) in subsection (2) of that section-

5 (a) by the substitution for the words “account, property or investment”, wherever those words appear in that subsection, of the words “property subject to the Freezing Order”; and

10 (b) in paragraph (a) of that subsection, by the substitution for the words “owns, possesses or is in control of,”, of the words “owns, possesses or has beneficial ownership in, or is in control of,”.

15 **17.** Section 15 of the principal enactment is hereby repealed and the following section is substituted therefor: -

Replacement of section 15 of the principal enactment

“Disposal of property upon forfeiture.

15. Where any criminal property or property of corresponding value of the criminal property has been forfeited to the State by an order made under section 13, the Court may order that the said property be disposed of in accordance with the provisions of the Proceeds of Crime Act, No. 5 of 2025.”.

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18. The following new sections are hereby inserted immediately after section 17 of the principal enactment and shall have effect as section 17A, section 17B, section 17C, section 17D and section 17E of that enactment: -

Insertion of new sections 17A, 17B, 17C, 17D and 17E in the principal enactment

“A person to furnish an affidavit or sworn statement to the police officer.

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17A. A person who is subject to an investigation for an offence under section 3, shall furnish to a police officer not below the rank of an Assistant Superintendent of Police in charge of such investigation an affidavit or a sworn statement, describing the manner

5 in which any suspected property acquired by such person has been derived or realised and providing answers to any question put to him by such police officer on the matters under investigation or any facts relevant to the matters under investigation:

10 Provided however, it shall not be an obligation for a person who is subject to an investigation for an offence under section 3, to furnish a self-incriminating or confessional statement or an affidavit or answer to any question, which would have a tendency to expose him to a criminal charge or to a penalty or forfeiture.

15 Admissibility of an affidavit and sworn statement. **17B.** Notwithstanding anything to the contrary in any other written law, an affidavit or a sworn statement furnished by any person to a police officer under section 17A shall be relevant and admissible in evidence at the trial in respect of such person for an offence under section 3.

20 Giving false evidence. **17C.** (1) If any person giving evidence, at the trial for an offence under section 3, gives, in the opinion of the court before which the trial is being held, false evidence within the meaning of section 188 of the Penal Code (Chapter 19) it shall be lawful for such court to summarily sentence such witness for contempt of court to a fine not exceeding one million rupees or to imprisonment for a period not exceeding two years.

30 (2) At any trial under subsection (1), it shall be sufficient to prove that such person has

made contradictory statements and it shall not be necessary to prove which of such statements is false.

5 Special investigation techniques to be used when conducting an investigation.

17d. (1) Any police officer conducting an investigation under this Act may, in addition to the powers vested in such police officer by any other written law, use any investigation technique including the following in conducting the investigation: -

- 10 (a) surveillance and observation;
- (b) undercover operations;
- (c) video recording;
- (d) using listening devices;
- (e) controlled deliveries; or
- 15 (f) accessing computer data and computer systems.

20 (2) A police officer not below the rank of an Assistant Superintendent of Police may make an *ex parte* application *in camera* along with sufficient material to the Magistrate's Court for an order for the purposes of paragraphs (c), (d), (e) and (f) of subsection (1).

25 (3) A police officer not below the rank of an Assistant Superintendent of Police may make an application in writing to the Magistrate for a warrant authorizing the covert monitoring of any conduct and recording of any communication if an officer conducting investigations under this Act has reasonable grounds to suspect or believe that a person
30 has committed, or is committing or is about to commit an offence under this Act.

5 (4) It shall be the duty of the officer making the application under subsection (2) to ensure the protection and preservation of information received or collected by the officer conducting the investigation.

Establishment of a joint investigation team.
10 **17E.** (1) If the circumstances of the case so justify, a joint investigation team may be established for a specific period by an agreement between the Sri Lanka Police and any other authority empowered to conduct investigations, in Sri Lanka or in any other jurisdiction, as may be determined by the Sri Lanka Police for the purpose of conducting an investigation into-

- 15 (a) an offence under section 3; or
- 20 (b) an act alleged to have been committed in any jurisdiction outside Sri Lanka which would either constitute an offence corresponding to the offence of money laundering in that jurisdiction or which would, if committed in Sri Lanka, amount to the offence of money laundering or an unlawful activity within the meaning
- 25 of this Act.

(2) Any evidence or material obtained during joint investigations may be used by competent courts, where the persons who were investigated are tried in such courts.”.

30 **19.** Section 19 of the principal enactment is hereby amended as follows: -

Amendment of section 19 of the principal enactment

(1) in subsection (1) of that section-

5 (a) in paragraph (b) of that subsection, by the substitution for the words and figures “in subsection (1) of section 3,” of the words and figures “in subsection (1) of section 5,” and for the words “on the directions of the Authority.”, of the words “on the directions of the Financial Intelligence Unit;” and

10 (b) by the addition immediately after paragraph (b) of that subsection, of the following new paragraph: -

15 “(c) against any Receiver, Special Manager or the Proceeds of Crime Management Authority or any person carrying out any activity under the authority of a Receiver, Special Manager or the Proceeds of Crime Management Authority for any lawful act which in good faith is done or purported to be done by such Receiver, Special Manager, the Proceeds of Crime Management Authority or person in the performance of any duty imposed by this Act.”;

25 (2) in subsection (2) of that section, by the substitution for the words “the Authority”, of the words “the Financial Intelligence Unit”; and

(3) by the repeal of the marginal note to that section and the substitution therefor, of the following marginal note: -

30 “Protection for action taken under this Act.”.

20. Section 20 of the principal enactment is hereby amended as follows: -

Amendment of section 20 of the principal enactment

- 5 (1) in subsection (2) of that section, by the substitution for the words “not exceeding fifty thousand rupees”, of the words “not exceeding five million rupees” and for the words “not exceeding one year”, of the words “not exceeding three years”; and
- 10 (2) in subsection (4) of that section, by the substitution for the words “not exceeding one hundred thousand rupees”, of the words “not exceeding five million rupees” and for the words “not exceeding twelve months”, of the words “not exceeding three years”.

21. The following new section is hereby inserted immediately after section 20 of the principal enactment and shall have effect as section 21 of that enactment: -

Insertion of new section 21 in the principal enactment

“Sharing of information of court proceedings.

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21. For the purpose of effecting a conviction of a person or forfeiture of any criminal property or property of corresponding value of the criminal property, any information recorded in the course of any court proceedings relating to an offence under this Act or any decision or determination relating thereto, may be exchanged with any foreign law enforcement agency.”.

22. Section 22 of the principal enactment is hereby repealed and the following section is substituted therefor: -

Replacement of section 22 of the principal enactment

“Sharing of forfeited property or value thereof.

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22. Where a request is made to the Government of Sri Lanka by or on behalf of the Government of another country or foreign State and the Minister, in consultation with the Minister assigned the subject of Foreign

5 Affairs, considers it appropriate, either because an international arrangement so requires or permits, or in the interests of comity, he may order that the whole or any part of any criminal property or property of corresponding value of the criminal property forfeited under the provisions of this Act, or the value thereof, be transferred or remitted to such requesting country or foreign State:

10 Provided however, substantial or extraordinary costs incurred in enforcing the Order of Forfeiture, or in protecting, preserving or managing such property or on matters incidental thereto shall be deducted or recovered prior to transferring or remitting such property or value thereof to the requesting country or foreign State.”.

23. Section 26 of the principal enactment is hereby amended as follows: -

Amendment of section 26 of the principal enactment

20 (1) by the substitution for the words “requesting State”, of the words “requesting foreign State”; and

(2) in the marginal note to that section, by the substitution for the words “requesting State”, of the words “requesting foreign State”.

25 24. Section 27 of the principal enactment is hereby repealed and the following section is substituted therefor: -

Replacement of section 27 of the principal enactment

“Providing assistance to foreign States etc.

27. The provisions of the Mutual Assistance in Criminal Matters Act, No. 25 of 2002 shall be applicable in respect of providing

of assistance as between the Government of Sri Lanka and any foreign State or specified country or specified organisation in-

5 (a) the investigation, prosecution, forfeiture or enforcement of orders, or any other legal proceedings in relation to the offence of money laundering or any unlawful activity; and

10 (b) any legal proceedings in relation to forfeiture of any criminal property or property of corresponding value of the criminal property.”.

15 **25.** Section 28 of the principal enactment is hereby amended as follows: -

Amendment of section 28 of the principal enactment

(1) in subsection (1) of that section, by the substitution for the word “State” wherever such word appears in that subsection, of the words “foreign State”; and

(2) by the repeal of subsection (2) of that section.

20 **26.** Section 29 of the principal enactment is hereby amended as follows: -

Amendment of section 29 of the principal enactment

(1) by the substitution for the word “State” wherever such word appears in that section, of the words “foreign State”; and

25 (2) in the marginal note to that section, by the substitution for the words “other States”, of the words “other foreign States”.

27. Section 30 of the principal enactment is hereby amended as follows: -

Amendment of section 30 of the principal enactment

- 5 (1) in paragraph (a) of subsection (1) of that section, by the substitution for the words “the requesting State”, of the words “the requesting foreign State”; and
- (2) by the repeal of subsection (2) of that section.

28. Section 31 of the principal enactment is hereby amended by the substitution for the words “any other State,” of the words “any other foreign State,”.

Amendment of section 31 of the principal enactment

10 29. Section 32 of the principal enactment is hereby amended as follows: -

Amendment of section 32 of the principal enactment

- 15 (1) by the substitution for the words “instituted in the State against any person, in respect of an offence under the law of that State corresponding to the offence of money laundering.”, of the words “instituted in that foreign State against any person either in respect of an offence under the law of that foreign State corresponding to the offence of money laundering or proceedings in respect of forfeiture of criminal property.”; and
- 20 (2) in the marginal note to that section, by the substitution for the words “other States.”, of the words “other foreign States.”.

25 30. Section 33 of the principal enactment is hereby amended as follows: -

Amendment of section 33 of the principal enactment

- (1) in paragraph (a) of subsection (2) of that section, by the substitution for the words “any business as a “designated non finance business””, of the words

“any business as a “designated non-finance business or profession””;

5 (2) in subsection (4) of that section, by the substitution for the words “shall as soon as convenient after its publication in the *Gazette*”, of the words “shall, within three months from the date of its publication in the *Gazette*,” and for the words “done thereunder.”, of the words “done thereunder. Notification of the date on which any regulation is deemed to be rescinded shall be published in the *Gazette*.”; and

10 (3) by the repeal of all the words from the figure and the words “(4) Notification of the date”, to the end of that section.

15 **31.** Section 35 of the principal enactment is hereby repealed and the following section is substituted therefor: - Replacement of section 35 of the principal enactment

“Interpretation. **35.** In this Act, unless the context otherwise requires-

20 “beneficial ownership” means the ownership or control of an entity or trust or other legal arrangement by a natural person-

25 (a) who is a beneficial owner as defined in section 130J of the Companies Act, No. 07 of 2007;

(b) who holds an equivalent position to those referred to in subsection (1) of section 19A of the Trusts Ordinance

(Chapter 87) in the case of a trust as defined in that Ordinance or any other legal arrangement similar to an express trust;

5

(c) who, in the case where paragraphs (a) and (b) do not apply, ultimately owns or controls, directly or indirectly, an entity or trust or other legal arrangement; or

10

(d) on whose behalf a transaction in relation to an entity or trust or other legal arrangement is being conducted;

15

“computer data” means any representation of facts, information or concepts in a form suitable for processing in a computer system including a program suitable to cause a computer system to perform a function;

20

“computer system” shall have the same meaning assigned to it in the Computer Crime Act, No. 24 of 2007;

25

“country” or “foreign State” shall have the same meaning assigned to it in the Mutual Assistance in Criminal Matters Act, No.25 of 2002;

30

“criminal property” means property derived or realised, directly or indirectly from any unlawful activity

or from the proceeds of any unlawful activity, or any conversion of such property, and includes-

5

(a) income, profits, property or other benefits derived or realised from money laundering or any unlawful activity, or from the proceeds of such money laundering or unlawful activity;

10

(b) the instrumentalities used in, or intended for use in money laundering or unlawful activities;

15

(c) the property laundered;

20

(d) the property that is used in, or intended or allocated for use in the financing of terrorism or terrorist acts, or property of any organization designated as a terrorist organization under any written law; and

25

(e) the proceeds of the financing of terrorism, terrorist acts, or property of any organization designated as a terrorist organization under any written law;

30

“designated non-finance businesses or professions” shall have the same

meaning assigned to it in the Financial Transactions Reporting Act, No. 6 of 2006;

5 “disposal of property” includes sharing or returning of such property;

“finance business” shall have the same meaning assigned to it in the Financial Transactions Reporting Act, No. 6 of 2006;

10 “Financial Intelligence Unit” means the Financial Intelligence Unit established in terms of the Financial Transactions Reporting Act, No. 6 of 2006;

15 “financing of terrorism” means an offence as defined in section 3 of the Convention on the Suppression of Terrorist Financing Act, No. 25 of 2005;

20 “forfeiture” means permanent deprivation of any criminal property or property of corresponding value of the criminal property by an order of a court by which the ownership of such property
25 is transferred to the State free from all encumbrances;

30 “Institution” shall have the same meaning assigned to it in the Financial Transactions Reporting Act, No. 6 of 2006;

“Minister” means the Minister assigned the subject of, and functions relating to, this Act under Article 44 or 45 of the Constitution;

5 “person” means any natural or legal person and includes a body of persons, whether incorporated or unincorporated in or outside Sri Lanka, and a legal arrangement,
10 whether it has legal personality or not, and a branch of such person or body of persons incorporated or established in or outside Sri Lanka;

15 “Proceeds of Crime Management Authority” means the Proceeds of Crime Management Authority established in terms of the provisions of the Proceeds of Crime Act, No. 5 of 2025;

20 “property” means assets of every kind, whether corporeal or incorporeal, moveable or immovable, tangible or intangible, or virtual, and includes
25 legal documents or instruments evidencing title to, or interest in such assets;

30 “Special Manager” means a Special Manager appointed by the High Court in terms of the provisions of the Proceeds of Crime Act, No. 5 of 2025;

5 “specified country” and “specified organization” shall have the same meaning assigned to it in the Mutual Assistance in Criminal Matters Act, No. 25 of 2002;

“terrorist act” shall have the same meaning assigned to it in the Convention on the Suppression of Terrorist Financing Act, No. 25 of 2005;

10 “transaction in relation to property” includes-

15 (a) a purchase, sale, loan, charge, mortgage, lien, pledge, transfer, delivery, assignment, subrogation, transmission, gift, donation, creation of a trust, settlement, deposit including the deposit of any article, withdrawal, transfer between
20 assets, and extension of credit;

(b) any agency or grant of power of attorney; and

25 (c) any other disposition or dealing of property in whatever form, or whatsoever description or nature, howsoever described, which results in any right, title, interest or privilege, whether present or future, or whether vested or contingent, in the
30 whole or any part of such property being conferred on any person;

“unlawful activity” means an act which constitutes an offence under-

- 5
- (a) the Poisons, Opium and Dangerous Drugs Ordinance (Chapter 218) or the Conventions Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, No. 1 of 2008;
- 10
- (b) any written law or regulation for the time being in force relating to the prevention and suppression of terrorism;
- 15
- (c) the Anti-Corruption Act, No. 9 of 2023;
- 20
- (d) the Firearms Ordinance (Chapter 182), the Explosives Ordinance (Chapter 183) or the Offensive Weapons Act, No. 18 of 1966;
- (e) the Foreign Exchange Act, No. 12 of 2017 and any regulation, rule or order made thereunder;
- 25
- (f) section 83c of the Banking Act, No. 30 of 1988;
- (g) any written law for the time being in force relating to transnational organized crime;

- 5 (h) any written law for the time being in force relating to cybercrime, blockchain technology, virtual assets or virtual asset service providers;
- (i) any written law for the time being in force relating to offences against children;
- 10 (j) any written law for the time being in force relating to offences connected with the trafficking or smuggling of persons;
- 15 (k) the Customs Ordinance (Chapter 235) and any regulation, rule or order made thereunder;
- 20 (l) the Excise Ordinance (Chapter 52) and any regulation, rule or order made thereunder;
- (m) the Payment Devices Frauds Act, No. 30 of 2006 and any regulation, rule or order made thereunder;
- 25 (n) the National Environmental Act, No. 47 of 1980 and any regulation, rule or order made thereunder and any written law for the time being in force relating to environment,
- 30

marine environment and natural resources;

5 (o) the Convention on the Suppression of Terrorist Financing Act, No. 25 of 2005 and any regulation, rule or order made thereunder;

10 (p) Part V of the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021;

(q) the Piracy Act, No. 9 of 2001 and any regulation, rule or order made thereunder;

15 (r) the Intellectual Property Act, No. 36 of 2003 and any regulation, rule or order made thereunder;

20 (s) sections 367, 373, 386, 389, 390, 400, 401, 402 and 403 of the Penal Code (Chapter 19);

(t) section 189 of the Inland Revenue Act, No. 24 of 2017;

25 (u) any written law for the time being in force relating to levy, collection and recovery of indirect taxes;

(v) any written law for the time being in force relating to acts of forgery;

(w) any written law for the time being in force relating to counterfeiting of currency;

5

(x) any written law for the time being in force relating to counterfeiting and piracy of products;

10

(y) any written law for the time being in force relating to illicit trafficking or smuggling of stolen or other goods;

15

(z) subsection (4) of section 2 of the Finance Business Act, No. 42 of 2011;

20

(za) Antiquities Ordinance (Chapter 188) and any regulation, rule or order made thereunder; or

(zb) any other written law for the time being in force, which is punishable by death or with imprisonment for a term of five years or more,

25

and includes an act committed within any jurisdiction outside Sri Lanka, which would either constitute an offence corresponding to the offence of money laundering in that jurisdiction or which would, if committed in Sri Lanka, would amount to an offence under the provisions of any law specified in paragraph (a) to paragraph (zb);

30

5 “virtual asset” means a digital representation of value that can be digitally traded or transferred, and can be used for payment or investment purposes, but does not include any digital representation of fiat currencies, securities and other financial assets; and

10 “virtual assets service provider” means any person who provides, administers, manages or conducts one or more of the following activities or operations for, or on behalf of, another person: -

15 (a) exchange between virtual assets and fiat currencies;

(b) exchange between one or more forms of virtual assets;

(c) transfer of virtual assets;

20 (d) safekeeping or administration of virtual assets or instruments enabling control over virtual assets; and

25 (e) participation in, and provision of financial services related to an issuer’s offer or sale of a virtual asset.”.

32. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

