

Article 13. Participation of society

1. Each State Party shall take appropriate measures, within its means and in accordance with fundamental principles of its domestic law, to promote the active participation of individuals and groups outside the public sector, such as civil society, non-governmental organizations and community-based organizations, in the prevention of and the fight against corruption and to raise public awareness regarding the existence, causes and gravity of and the threat posed by corruption. This participation should be strengthened by such measures as:

- (a) Enhancing the transparency of and promoting the contribution of the public to decision-making processes;
- (b) Ensuring that the public has effective access to information;
- (c) Undertaking public information activities that contribute to non-tolerance of corruption, as well as public education programmes, including school and university curricula;
- (d) Respecting, promoting and protecting the freedom to seek, receive, publish and disseminate information concerning corruption. That freedom may be subject to such restrictions as shall only be such as are provided for

CIVIL SOCIETY REPORT

on the implementation of

Chapter II (Prevention) & Chapter V (Asset Recovery) of the

UNITED NATIONS CONVENTION AGAINST CORRUPTION

IN SRI LANKA

by Transparency International Sri Lanka

Acknowledgements

With the aim of contributing to the national United Nations Convention against Corruption (UNCAC) review in Sri Lanka in its second cycle, this parallel report was written and compiled by Transparency International Sri Lanka (TISL), based on the guidance materials and report template designed by the UNCAC Coalition and Transparency International (TI). The production of this report was supported by the UNCAC Coalition, made possible with funding provided by the Norwegian Agency for Development Cooperation (Norad) and the Ministry of Foreign Affairs of Denmark (Danida).

The findings in this report are those of the authors but do not necessarily reflect the views of the UNCAC Coalition and TI, who have made this report possible.

Every reasonable effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of 31st January 2025.

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Transparency International Sri Lanka (TISL) is the Sri Lankan National Chapter of Transparency International (TI) and was established in 2002 with the purpose of contributing to the fight against corruption in Sri Lanka. TISL plays the roles of a corruption watch dog, a knowledge leader, a mobilizer, convener and advocate. Its watchdog function on corruption in Sri Lanka is conducted through situation monitoring, fact finding, investigations and documentation and reporting, while continuing to demand accountability through various means including public interest litigation. TISL engages in advocacy in, inter alia, good governance, right to information, procurement, proceeds of crime, kleptocracy, debt transparency, election monitoring on misuse of public property and awareness raising to empower citizen to understand and join the fight against corruption. Advocacy and anti-corruption efforts are also conducted through policy influencing and focussed on four sectors of Political, Public, Community and Private pillars of TISL.

Table of Contents

Abbreviations	1
List of Persons Consulted	2
I. Introduction	4
II. Executive Summary	6
2.1 Description of the Official Review Process	6
2.2 Availability of Information	6
2.3 Implementation in Law and in Practice	7
<i>Articles 7.2 and 7.4 – Codes of Conduct and Conflicts of Interest in the Public Sector</i>	<i>7</i>
<i>Article 8.5 – Asset and Liabilities Declarations.....</i>	<i>8</i>
<i>Article 7.3 – Political Financing</i>	<i>9</i>
<i>Articles 10 and 13.1 – Access to Information and Participation of Society</i>	<i>10</i>
<i>Article 11 – Judiciary and Prosecution Services.....</i>	<i>10</i>
<i>Article 14 – Measures to prevent money laundering.....</i>	<i>11</i>
<i>Articles 52 and 58 – Prevention and detection of transfers of proceeds of crime, and the Financial Intelligence Unit.....</i>	<i>11</i>
2.4 Recommendations for Priority Actions	13
III. Assessment of Review Process for Sri Lanka	15
3.1 Report on the Review Process	15
3.2 Access to Information.....	16
IV. Assessment of Implementation of Chapter II and Chapter V Provisions.....	18
4.1 Chapter II	18
4.1.1 <i>Articles 7.2, 7.4, 8.1, 8.5 and 12.2 – Codes of Conduct, Conflicts of Interest and Asset Declarations of Public Officials, and the Private Sector</i>	<i>18</i>
4.1.2 <i>Article 7.3 – Political Financing</i>	<i>35</i>
4.1.3 <i>Articles 10 and 13.1 – Access to Information and the Participation of Society</i>	<i>45</i>
4.1.4 <i>Article 11 – Measures relating to the Judiciary and Prosecution Services</i>	<i>64</i>
4.2 Chapter V	74
4.2.1 <i>Article 14 of Chapter II and Articles 52 and 58 of Chapter V – Measures to Prevent Money-Laundering, Prevention and Detection of Transfers of Proceed of Crime, and the Financial Intelligence Unit.....</i>	<i>74</i>
4.3 Statistics	82
4.4 Short analysis	86
V. Recent Developments.....	88
VI. Recommendations.....	90
VII. Annex.....	93
7.1 Table on Freedom of Information Requests	93
7.2 Bibliography	95

Abbreviations

ACA	Anti-Corruption Act No.9 of 2023
AML	Anti-Money Laundering
APG	Asia Pacific Group
CFT	Counter-Terrorism Financing
CIABOC	Commission to Investigate Allegations of Bribery or Corruption
CPA	Centre for Policy Alternatives
CID	Criminal Investigations Department
CSO	Civil Society Organizations
CSTFA	Convention on the Suppression of Terrorist Financing Act No. 25 of 2005
DG	Director-General of CIABOC
DNFBPs	Designated Non-Financial Businesses and Professions
DO	Designated Officer/s
EFT	Electronic Fund Transfers
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FTRA	Financial Transaction Reporting Act No.6 of 2006
IGP	Inspector General of Police
IMF	International Monetary Fund
IO	Information Officer/s
JSC	Judicial Service Commission
KII	Key Informant Interviews
LKR	Sri Lankan Rupees
ML/TF	Money-Laundering/Terrorist-Financing
MoU	Memorandum of Understanding
NMRA	National Medicines Regulatory Authority
NRA	National Risk Assessment
OSA	Online Safety Act No.9 of 2024
PMLA	Prevention of Money Laundering Act No.5 of 2005
RI	Reporting Institutions
RTI	Right to Information
RTIC	Right to Information Commission
STR	Suspicious Transaction Reports
TI	Transparency International
TISL	Transparency International Sri Lanka
UNCAC	United Nations Convention against Corruption
UNODC	United Nations Office on Drugs and Crime

List of Persons Consulted

Name	Job title	Affiliation	Date of interview
Anonymity requested	Former Supreme Court Judge	N/A	21 March 2023
J.C. Weliamuna	Attorney-at-Law	Member Board of Directors Transparency International Australia, Principal Solicitor at JCW Legal	29 March 2023
Kishali Pinto-Jayawardena	Commissioner	Right to Information Commission	11 July 2024
Manjula Gajanayake	Executive Director	Institute for Democratic Reforms and Electoral Studies (IRES)	22 July 2024
Austin Fernando	Retired Senior Public Official	N/A	23 July 2024
Anonymity requested	Senior Official	Financial Intelligence Unit	30 July 2024
Anonymity requested	Senior Official	Ministry of Mass Media	30 July 2024
Piyatissa Ranasinghe	Former Director General	Right to Information Commission	05 August 2024
Lacille De Silva	Former Director of Administration	Parliament of Sri Lanka	06 August 2024
Anonymity requested	Retired Senior Public Official	N/A	09 August 2024
Anonymity requested	Senior Officer	Commission to Investigate Allegations of Bribery or Corruption	12 August 2024
Sankhitha Gunaratne	Head of Governance and Anti-Corruption	Verité Research	13 August 2024
Anonymity requested	Senior Official	Public Service Commission	28 October 2024

Anonymity requested	Senior Official	Parliament of Sri Lanka	05 November 2024
Saman Sri Ratnayake	Commissioner General of Elections	Election Commission	08 November 2024
Anonymity requested	Senior Official	Criminal Investigations Department	08 November 2024
Prof. Rohan Samarajiva	Founding Chair	LIRNEAsia	12 November 2024
Anura Maddegoda, President's Counsel	Senior Attorney-at-Law	N/A	13 November 2024
Geoffrey Alagaratnam, President's Counsel	Senior Attorney-at-Law	N/A	13 November 2024
Chethiya Goonesekere	Commissioner	Commission to Investigate Allegations of Bribery or Corruption	26 November 2024
Ambika Satkunanathan	Attorney-at-Law, Former Commissioner of the Human Rights Commission of Sri Lanka	N/A	26 November 2024
Anonymity requested	Senior Official	National Audit Office (Auditor General's Department)	04 December 2024
Gamini Wijesinghe	Former Auditor General	N/A	04 December 2024

I. Introduction

Sri Lanka signed the United Nations Convention against Corruption (UNCAC)¹ on 15 March 2004 and ratified the same on 31 March 2004.

This report reviews Sri Lanka's implementation of articles of Chapter II (Preventive measures) and Chapter V (Asset recovery) of the UNCAC. The report is intended as a contribution to the UNCAC implementation review process for which Sri Lanka was selected by the UNCAC Implementation Review Group in the first year of the second cycle 2016-2021.²

1.1 Scope

The UNCAC articles and topics that are addressed in this report are conflicts of interest (Article 7.1, 7.2, 7.4), codes of conduct and asset declarations of public officials (Articles 8.1, 8.2, 8.4, 8.5, 8.6), private sector transparency (Article 12.2), political financing (Article 7.3), access to information and the participation of society (Articles 10 and 13.1), measures relating to the judiciary and prosecution service (Article 11), and measures to prevent money laundering (Articles 14.1, 14.2 and 14.4) under Chapter II. The UNCAC articles and topics considered under Chapter V in this report are those covering anti-money laundering, including prevention and detection of transfers of proceeds of crime, and the Financial Intelligence Unit (Articles 52 and 58).

1.2 Structure

The report is organized into seven (I-VII) main sections. Section I covers the Introduction, discussing the scope and structure of the report and the methodology of the research. Section II presents the Executive Summary of the official review process, availability of information, and implementation in law and in practice, as well as key recommendations for priority action. Section III assesses the UNCAC implementation review process undertaken for Sri Lanka, including the access to and availability of information concerning the implementation of the UNCAC at the national level. Section IV entails the assessment and implementation of the selected Articles of Chapters II and V of UNCAC, including good practices and deficiencies in implementation. Subsequently, Section V describes recent developments in respect of the specific Articles, and lastly, Section VI sets forth recommendations for priority actions to improve the implementation of the UNCAC in Sri Lanka, followed by Section VII carrying relevant annexures.

¹ UNODC, UN Convention against Corruption, https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf, accessed on 20 July 2024.

² UNODC Country Profile – Sri Lanka, <https://www.unodc.org/unodc/en/corruption/country-profile/countryprofile.html#?CountryProfileDetails=%2Funodc%2Fcorruption%2Fcountry-profile%2Fprofiles%2Flka.html>, accessed on 20 July 2024.

1.3 Methodology

The report was prepared by Transparency International Sri Lanka (TISL), with technical support from the UNCAC Coalition, making efforts to obtain information from government offices and to engage in dialogue with government officials.

The report was prepared in compliance with the guidelines prepared by the UNCAC Coalition together with Transparency International. Both primary and secondary data collection methods were employed for this report. Information was obtained from relevant legislation, supplementary rules and regulations, research reports, journal articles, Civil Society Organization's (CSO) reports, and other published information available. Furthermore, several Key Informant Interviews (KIIs) were conducted with current and former public officials, experts, and civil society representatives, among others. Article-specific questions for the KIIs were carefully developed, considering the expertise and academic or professional background of each interviewee.

II. Executive Summary

This civil society parallel report, prepared by Transparency International Sri Lanka (TISL), provides a thorough review of Sri Lanka's implementation of selected articles under the United Nations Convention against Corruption (UNCAC). The report examines the country's compliance with specific articles in Chapter II (Preventive Measures) and Chapter V (Asset Recovery) of the UNCAC, focusing on codes of conduct for public officials, conflicts of interest and asset declarations, political financing, access to information and the participation of society, measures relating to the judicial independence and prosecution, measures to prevent money laundering and anti-money laundering (AML) measures.

2.1 Description of the Official Review Process

The UNCAC Country review of Sri Lanka for the second review cycle has been completed and the Country Review Report³ was published in 2018 on the website of United Nations Office on Drugs and Crime (UNODC).⁴ The review was conducted by Palau and Brunei Darussalam, based on the self-assessment checklist provided by Sri Lanka.

The UNCAC review team of the Sri Lankan government had briefly and inadequately engaged with Civil Society Organizations (CSOs) late in the process. TISL received an invitation to a consultation by the Commission to Investigate Allegations of Bribery or Corruption (CIABOC) in late October 2018, with limited details regarding the purpose of the meeting. While the government did not explicitly disclose information on the country's focal point, it became apparent that CIABOC was functioning in that capacity following this consultation. The initial consultation, in which TISL participated, was led by the then Director-General (DG) of CIABOC, after which, TISL was requested to provide its feedback overnight.

Subsequently, upon arrival of the reviewers from Palau and Brunei Darussalam for the review's country visit, a civil society consultation was conducted, to which TISL was also invited. The final draft of the Country Review Report was shared with TISL; however, it is noteworthy that none of the feedback of TISL has been incorporated into the report.

2.2 Availability of Information

The report is grounded in a comprehensive methodology that combines *inter alia*, extensive desk research, legislative reviews, and expert consultations to provide a well-rounded analysis

³ UNODC, 2018, Sri Lanka Country Review Report, https://www.unodc.org/documents/treaties/UNCAC/CountryVisitFinalReports/2018_09_03_Sri_Lanka_Final_Country_Report.pdf, accessed on 3 October 2024.

⁴ UNODC, Sri Lanka, Country Profile Page, <https://www.unodc.org/corruption/en/country-profiles/data/LKA.html>, accessed on 3 October 2024.

of Sri Lanka's compliance with the selected articles of the UNCAC. The desk research involved a thorough examination of existing legal frameworks, identifying both strengths and deficiencies in current practices, and analysing the implementation challenges faced by public authorities. This included a detailed review of existing legislation relevant to public sector administration, political financing, access to information, asset declarations, judiciary and prosecution, and anti-money laundering, as well as an assessment of proposed future legislative reforms which are available in the form of draft frameworks and Bills.

Additionally, the report builds on a review of the 2018 UNCAC Country Review Report for Sri Lanka, ensuring that the analysis is informed by previous assessments of the country's compliance with UNCAC obligations. The methodology followed the civil society parallel report template provided by the UNCAC Coalition, which guided the structure and focus of the research to ensure consistency and comparability with other country reports and civil society parallel reports.

To complement the desk research, the report draws on insights gathered from Key Informant Interviews (KII) with a diverse group of experts and stakeholders. These interviews included, among others, discussions with a retired Supreme Court judge, current and former Commissioners of statutory bodies, current and former government officials, Attorneys, activists, trade union representatives, public officers, law enforcement authority representatives, and representatives from civil society organizations. The expertise and learnt opinions of these informants provided valuable perspectives on the practical realities of implementing anti-corruption measures in Sri Lanka, highlighting both successes and ongoing challenges.

The analysis is further enriched by TISL's own expertise as the leading national anti-corruption organisation. Leveraging its extensive experience and knowledge, TISL ensured that the findings and recommendations in this report are robust, actionable, and aligned with international best practices in anti-corruption efforts. This multi-faceted approach ensures that the report's findings are well-informed, balanced, and reflective of the complex dynamics at play in Sri Lanka's anti-corruption efforts.

2.3 Implementation in Law and in Practice

Articles 7.2 and 7.4 – Codes of Conduct and Conflicts of Interest in the Public Sector

In examining Sri Lanka's implementation of UNCAC Article 7, which pertains to codes of conduct and conflicts of interest in public sector employment, the report reveals significant gaps in the existing legal and institutional frameworks. While there are established guidelines,

such as the Establishments Codes and Public Administration Rules⁵, intended to govern public officers, the absence of a comprehensive, legally binding codes of conduct specifically designed for all public officials leaves room for ambiguity in implementing laws and inconsistent enforcement which could lead to wrongful behaviour, lack of accountability, and inefficient public service operations. Existing guideline often lack clarity, uniform enforcement, and are inadequate to address all forms of conflicts of interest.

Moreover, the enforcement of existing codes is inconsistent, with a notable lack of mechanisms to monitor adherence or to sanction violations effectively. The lack of training and awareness programs for public officials further exacerbates the problem, as many are either unaware of their obligations under these codes or do not fully understand the implications of conflicts of interest.⁶ This creates an environment where conflicts of interest can arise unchecked, leading to decisions that may not align with the public good. The report calls for the development of a comprehensive, legally enforceable codes of conduct that explicitly addresses conflicts of interest that includes clear enforceable guidelines on how public officers should manage such situations.

Article 8.5 – Asset and Liabilities Declarations

The mechanism for asset declarations in Sri Lanka⁷, while in place, suffers from several critical weaknesses that undermine its effectiveness as a mechanism for preventing corruption. Under the current framework, public officials, including those in the judiciary, are required to declare their assets and liabilities. However, the report identifies significant issues in the implementation of this requirement. There is a lack of an effective and efficient centralized electronic system for submitting and managing these declarations, as stipulated by the Anti-Corruption Act No.9 of 2023 (ACA), which leads to inefficiencies and lack of monitoring compliance. Moreover, the public's access to these declarations is limited, with critical details redacted, thereby diminishing the transparency and accountability that these declarations are intended to ensure.

This issue stems from the restrictive nature in which CIABOC exercise the interpretation of Section 88 (1) of the ACA. Per this interpretation, CIABOC redacts vital information, such as bank account balances and commencement dates, from public disclosure. Not only does this restrictive interpretation of the Section 88(1)⁸ of the ACA undermine the intent and the spirit of the law, but it could also hinder detection and prevention of corruption. Additionally, the lack of regular audits and verification processes in the absence of a centralised electronic system, means that false or incomplete declarations could go unchecked. The report

⁵ The Establishments Code, 1999, [https://pubad.gov.lk/web/images/contents/e_code/establishments-code-volume-ii-1999\(e\).pdf](https://pubad.gov.lk/web/images/contents/e_code/establishments-code-volume-ii-1999(e).pdf).

⁶ Key Informant Interview – Academic, Expert in Public Administration, 2023.

⁷ Anti-Corruption Act, 2023, <https://parliament.lk/uploads/acts/gbills/english/6296.pdf>.

⁸ Ibid.

recommends the immediate establishment of a centralised electronic system as stipulated by law, mandatory audits, and meaningful public access to ensure greater transparency and accountability.

The report also stresses the need for meaningful public access to asset declarations, recommending that the CIABOC exercise its discretion in a manner that aligns with the law's intent and spirit, specifically by eliminating unnecessary redactions of critical information such as bank account balances and commencement dates, thereby ensuring detection and prevention of corruption.

Article 7.3 – Political Financing

Political financing in Sri Lanka is governed by a legal framework that seeks to enhance transparency and reduce corruption risks. The Election Expenditure Act No. 3 of 2023⁹ marks a key legislative effort to regulate campaign finance by imposing limits on campaign expenditures, mandating detailed financial disclosures, and prohibiting donations from foreign sources. However, the report underscores several challenges that undermine the effectiveness of these regulations.

One of the most critical issues is the reliance on self-reporting by candidates and political parties, which poses a risk of misreporting or non-disclosure of funds. The absence of real-time monitoring mechanisms further complicates the enforcement of spending limits and the detection of illicit campaign finance activities. The Election Commission's capacity to oversee compliance is also significantly constrained by a lack of resources and technological tools, which hampers its ability to analyse financial reports efficiently and take timely action against violations. Additionally, the report highlights concerns about the influence of external financiers on the political process, particularly through indirect means such as third-party campaigning and the use of opaque donation channels. These practices can lead to undue influence on elected officials, ultimately skewing policy decisions in favour of powerful interests rather than the electorate.

To address these challenges, the report recommends as priorities the introduction of real-time monitoring systems for campaign finance, enhanced transparency requirements for all political donations, and increased human resource and financial support for the Election Commission to enforce the law effectively. It also calls for the establishment of stricter penalties for non-compliance and the creation of mechanisms to audit and verify financial disclosures independently, ensuring that political financing in Sri Lanka remains transparent, accountable, and free from corruption.

⁹ The Election Expenditure Act, 2023, <https://www.parliament.lk/uploads/acts/gbills/english/6287.pdf>.

Articles 10 and 13.1 – Access to Information and Participation of Society

The Right to Information (RTI) Act No. 12 of 2016¹⁰ stands as a cornerstone of Sri Lanka's efforts to promote transparency and public accountability. Enshrining access to information as a fundamental right under the Constitution, the RTI Act aligns with international standards, including Article 19 of the Universal Declaration of Human Rights and the United Nations Sustainable Development Goals. However, the report identifies significant barriers to the effective implementation of the RTI framework. These challenges include widespread lack of public awareness of the access to information law, the severe under-resourcing of the Right to Information Commission (RTIC), and resistance and lethargy from public authorities in adhering to the purpose and spirit of the law.

The RTIC's role is constructively scrutinised, unveiling that while the Commission is effective in handling reactive disclosures and appeals, it falls short in ensuring the compliance of public authorities across public authorities. Structural and institutional constraints such as the centralized nature of the RTIC and the absence of regional offices, hinder the widespread implementation of the RTI Act. Additionally, the report underscores the need for the RTIC to fully exercise its mandate, particularly in overseeing record management, digitization of public information, and proactive transparency measures. In order for the RTIC to fully implement these measures, it is acknowledged that human and financial resource allocation would be crucial. Without significant improvements in these areas, the potential of the RTI Act to foster a culture of transparency and accountability within Sri Lanka's public sector remains largely unrealized.

Article 11 – Judiciary and Prosecution Services

The report delves into the implementation of measures under Article 11 of the UNCAC, which calls for the preservation and enhancement of judicial integrity. Despite constitutional provisions intended to protect the judiciary from political interference, recent events have highlighted continuous attempts to challenge and threaten its independence. The report details instances where the judiciary's autonomy has been compromised, such as the Executive's defiance of Apex Court's decisions and the politically charged appointment processes for key judicial and law enforcement positions.

The Judicial Service Commission (JSC), responsible for the appointment, promotion, and disciplinary control of judges in lower courts, is also scrutinized in the report. Amendments to the Constitution, particularly the controversial 20th Amendment¹¹, have raised concerns about the potential for political meddling in judicial appointments, threatening the impartiality and independence of the judiciary. The report calls for the restoration and

¹⁰ Right to Information Act No 12, 2015, https://www.media.gov.lk/images/pdf_word/2016/12-2016_E.pdf.

¹¹ 20th Amendment to the Constitution of the Democratic Socialist Republic of Sri Lanka, 2020, <https://www.parliament.lk/uploads/acts/gbills/english/6176.pdf>.

strengthening of constitutional safeguards to ensure that the JSC is able to operate without any political influence and that the judiciary remains a bulwark against corruption.

Article 14 – Measures to prevent money laundering

Sri Lanka has established a comprehensive legal framework to combat money laundering and terrorist financing, aligned with the Financial Action Task Force (FATF) recommendations.¹² Key legislation, including the Prevention of Money Laundering Act No. 5 of 2006 (PMLA), and the Convention on the Suppression of Terrorist Financing Act No. 25 of 2005 and the Financial Transactions Reporting Act No. 6 of 2006 (FTRA)¹³, forms the backbone of the country's anti-money laundering (AML) regime.

Despite the prevailing legal framework, the report identifies critical gaps in Sri Lanka's AML framework. The absence of a centralized beneficial ownership registry and the lack of a comprehensive law on beneficial ownership are significant deficiencies that undermine the effectiveness of the AML regime.

Articles 52 and 58 – Prevention and detection of transfers of proceeds of crime, and the Financial Intelligence Unit

The Financial Intelligence Unit (FIU), operating under the Central Bank of Sri Lanka, plays the crucial role of enforcing anti-money laundering and counter-terrorism financing (AML/CFT) compliance, overseeing the implementation of customer due diligence, record-keeping, and Suspicious Transaction Reporting (STR) requirements.

While the FIU has made progress in improving its operational capabilities, the report highlights the need for further enhancements, particularly in the use of technology and data analytics to strengthen the detection and investigation of money laundering activities. The 3rd Mutual Evaluation of Sri Lanka which is scheduled for 2026 by the Asia Pacific Group on Money Laundering (APG) could identify these gaps and further align the country's AML framework with international best practices.

A proposed amendment to the Companies Act No. 7 of 2007, aimed at establishing a Beneficial Ownership register, was under discussion but had not yet been enacted. While this marks a significant move toward greater corporate transparency in Sri Lanka, it is crucial to adopt a comprehensive approach to beneficial ownership information disclosure. Understanding who ultimately owns or controls legal entities is essential for addressing key governance challenges, including conflict of interest, corruption in public procurement processes, money laundering, political financing oversight, and illicit financial flows.

¹² The FATF Recommendations, <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html>, accessed October 2024.

¹³ Financial Intelligence Unit of Sri Lanka, Financial Transactions Reporting Act No. 6 of 2006, [https://fiusrilanka.gov.lk/docs/ACTs/FTRA/Financial_Transactions_Reporting_Act_2006-6_\(English\).pdf](https://fiusrilanka.gov.lk/docs/ACTs/FTRA/Financial_Transactions_Reporting_Act_2006-6_(English).pdf).

Table 1: Implementation and enforcement summary

UNCAC articles	Status of implementation in law	Status of implementation and enforcement in practice
Art. 7.2 – Codes of Conduct	Partially implemented	Poor
Art. 7.3 – Political financing	Partially implemented	Poor
Art. 7.4 – Conflict of Interest	Not implemented	Poor
Art. 8.5 – Asset Declarations	Partially implemented	Poor
Art. 10 – Access to Information	Partially implemented	Poor
Art. 11.1 – Judiciary	Partially implemented	Moderate
Art. 11.2 – Prosecution services	Partially implemented	Poor
Art. 12.2 – Private Sector Transparency	Not implemented	Poor
Art. 13.1 – Participation of society	Not implemented	Poor
Art. 14.1, 14.4 – Measures to prevent money-laundering	Partially implemented	Moderate
Art. 52 – Prevention and detection of transfers of proceeds of crime	Partially implemented	Poor
Art. 58 – Financial Intelligence Unit	Partially implemented	Moderate

Table 2: Performance of selected key institutions

Name of institution	Performance in relation to responsibilities covered by the report	Brief comment on performance (<i>for example, inadequate resources, lack of independence, strong expertise</i>)
Commission to Investigate Allegations of Bribery or Corruption	Poor	Lack of expertise in the investigation and prosecution of new offences under the Composite Law on Anti Corruption ; inadequate resources
Right to Information Commission	Moderate	Inadequate resources – both financial and personnel
Financial Intelligence Unit	Moderate	Limited capacity of beneficial ownership, lack of resources

Crime Investigation Division, Sri Lanka Police	Poor	Lack of capacity and technical knowledge, lack of resources, lack of independence
Election Commission	Moderate	Inadequate financial and human resources
Attorney-General's Department	Moderate	Lack of independence, inherent conflict of interest, lack of expertise
Ombudsman	Poor	Lack of communication, lack of bureaucratic and political will, lack of transparency
Judicial Service Commission	Moderate	Absence of transparency on actions and lack of bureaucratic and political will, extreme secrecy

2.4 Recommendations for Priority Actions

1. Enact enforceable rules and guidelines for the regularized declarations of conflicts of interest by public officials and ensure such disclosures are publicly accessible through a central, searchable platform.
2. Amend the procurement guidelines to explicitly address the corruption vulnerabilities posed by conflicts of interest that can lead to procurement violations in unsolicited/direct proposals. Strengthen enforcement of the Right to Information Act by ensuring imposition of penalties for Public Authority's non-compliance of the Act.
3. Introduce legal reform to ensure candidate compliance with the Election Expenditure Act and increase penalties aligning it with the electoral cycle and strengthen its deterring effect.
4. Enact and implement an amendment to the existing Election Expenditure Act No. 03 of 2023 to include robust political financing regulations to ensure continuous monitoring and regulation of funding, donations and contributions to political parties and politicians.
5. Align enforcement of the Establishments Code and Public Service Commission (PSC) Rules with the legal framework under the Anti-Corruption Act No. 09 of 2023 and establish formal mechanisms for coordination between the PSC and CIABOC to jointly address violations that may amount to corruption offences.
6. Create an independent prosecutor's office, separate from the Attorney General's Department, to ensure impartiality of cases, including corruption cases.
7. Introduce reforms for the governance structure of the Central Bank of Sri Lanka (CBSL) to divest it of responsibilities related to managing the Employees' Provident Fund (EPF).
8. Establish a centralised electronic system for submitting asset declarations in machine-readable formats with open public access and ensure compliance with the Anti-Corruption Act with guidelines on the nature of the information to be redacted. Given

the crucial nature of these guidelines, require consultations with corruption watchdogs prior to finalizing the guidelines.

9. Amend the Companies Act No.7 of 2007 to introduce and maintain a Beneficial Ownership Registry using timely, verified information in open data format. Conduct an assessment of other laws and mechanisms that encourage the misuse of beneficial ownership concept and address the loopholes.
10. Introduce a code of judicial conduct for judicial officers, modeled after the Bangalore Principles of Judicial Conduct.
11. Digitize and integrate the police criminal record database into a secure, centralized system accessible to the FIU and other law enforcement authorities.
12. Amend the Inland Revenue Act No. 24 of 2017 to mandate the Inland Revenue Department (IRD) to share information to assist money-laundering investigations.
13. Amend parliamentary privileges to allow attempted political interference and influence on the operations and decisions of the judiciary to be recognized as an offence.
14. Develop a centralised mechanism to publish draft laws and upcoming policy changes, invite public input with adequate time, and collect feedback through a standardized, accessible process.
15. Conduct a targeted need-assessment to determine the Ombudsman's distinct role within Sri Lanka's broader accountability framework, identifying gaps and overlaps with other institutions.

III. Assessment of Review Process for Sri Lanka

This section examines the conduct of Sri Lanka's second cycle UNCAC review, including the extent of information made available to civil society, the openness and inclusivity of the process, and the transparency with which key outcomes have been communicated to the public.

3.1 Report on the Review Process¹⁴

The UNCAC Country Review Report of Sri Lanka on the implementation of the UNCAC for the review cycle 2016-2021 was published in 2018. The review was conducted by Palau and Brunei Darussalam, based on the self-assessment checklist provided by Sri Lanka. The full Country Report is made available online on the website of United Nations Office on Drugs and Crime (UNODC) for public access.

Table 3: Transparency of the government and CSO participation in the UNCAC review process

Did the government disclose information about the country focal point?	No	Not explicitly.
Was the review schedule published somewhere/publicly known?	Not publicly available	N/A
Was civil society consulted in the preparation of the self-assessment checklist?	Yes, however, only one consultation	In October 2018, TISL was invited on short notice to a CIABOC consultation with minimal details about its purpose. The consultation was conducted hastily, and TISL was required to provide feedback on the self-assessment checklist and submit overnight.
Was the self-assessment checklist published online or provided to civil society?	No	Published only on the CIABOC website. ¹⁵ It has neither been published on the UNODC website ¹⁶ , nor was it made available or

¹⁴ This section has been updated with the information received in a Key Informant Interview (KII) with a former TISL staff member who was part of the civil society consultation in the review process.

¹⁵ CIABOC, 16 December 2016, UNCAC Self-assessment checklist, https://ciaboc.gov.lk/images/pdf/International_relations/United%20Nations%20CAC%20-corrected%20version1.pdf, accessed on 01 November 2024.

¹⁶ UNODC website, Country Profile – Sri Lanka, <https://www.unodc.org/corruption/en/country-profiles/data/LKA.html>, accessed pm 01 November 2024.

		aware to CSOs until the day of the consultation.
Did the government agree to a country visit?	Yes	Yes
Was a country visit undertaken?	Yes	From 29 th to 31 st March 2017 in Colombo, Sri Lanka. ¹⁷
Was civil society invited to provide input to the official reviewers?	Yes	TISL was invited.
Was the private sector invited to provide input to the official reviewers?	Not publicly available	N/A
Has the government committed to publishing the full country report?	Yes	<p>The final draft of the Country Review Report was shared with TI Sri Lanka; however, it is noteworthy that none of the feedback from TISL has been incorporated into the report.</p> <p>The report was published on the UNODC website.¹⁸ However, the report does not adhere to the country's language policy and is only made available in English, which limits access to only those who are English literate, as opposed to the Sinhala and Tamil speaking majority. This is also a non-compliance with the Right to Information law.</p>

3.2 Access to Information

The Right to Information (RTI) Act No.12 of 2016¹⁹ was enacted to provide for the citizen's right of access to information, widely recognized as a landmark legislation in upholding citizen's fundamental rights and in fostering a culture of transparency and accountability in public authorities. The RTI Act, while allowing the citizens to access information thereby mandating the public authorities to disclose information in response to such requests (reactive disclosure), it also obligates all public authorities under the RTI Act to proactively disclose information under its control, possession, custody or control of such public authority through respective websites and other means. The Right to Information Commission (RTIC), an independent entity, was established under the RTI Act to, *inter alia*, hear appeals from

¹⁷ Ibid.

¹⁸ See [Country Review Report of Sri Lanka, 2018.](#)

¹⁹ See Right to Information Act, 2016, https://www.media.gov.lk/images/pdf_word/2016/12-2016_E.pdf.

aggrieved persons, monitor the performance and ensure due compliance by public authorities.

This report was compiled using information gathered from relevant laws, supplementary rules and regulations, research reports, media articles, reports from civil society organizations, annual reports and other data available on websites. Additionally, formal interviews with officials from public authorities, experts, and members of civil society were also conducted, and due cooperation was extended in sharing information of their respective institutions and/or expertise.

From the perspective of CSOs, information relating to the country review process should be made publicly available, with significant details such as the country focal point and the stakeholders involved being proactively disclosed. Further, public and civil society consultations and feedback mechanisms should be improved in the country review process, including the drafting of the report. The process should be transparent and inclusive, with increased awareness about the review process among civil society. The process is also lacking equality in its language use. The review process and the report published do not adhere to the language policy of the country and are only made available in English, which limits access to only those who are English literate as opposed to the Sinhala and Tamil speaking majority. This is also a non-compliance with the Right to Information law.

IV. Assessment of Implementation of Chapter II and Chapter V Provisions

This chapter assesses the implementation of the provisions of UNCAC Chapter II on preventive measures and Chapter V on asset recovery in Sri Lanka through the existing legal framework, application of laws, regulations and practices, and highlights both good practices and areas for improvement.

4.1 Chapter II

4.1.1 Articles 7.2, 7.4, 8.1, 8.5 and 12.2 – Codes of Conduct, Conflicts of Interest and Asset Declarations of Public Officials

Codes of Conduct

Public Service Commission

Article 54 of the Sri Lankan Constitution²⁰ establishes the Public Service Commission (PSC) as a key constitutional body responsible for overseeing the public service. The PSC is composed of nine members appointed by the President based on recommendations from the Constitutional Council, ensuring a balance of power in the appointment process. At least three members must have at least fifteen years of experience as public officers, bringing significant administrative expertise to the Commission. The President, on the recommendation of the Constitutional Council, appoints the Chairman.

To maintain impartiality, PSC members cannot hold office if they become members of Parliament, Provincial Councils, or Local Authorities. Former public or judicial officers must resign from their previous roles upon joining the PSC, though they retain pension rights as if they continued in their former positions. Members serve three-year terms, with the possibility of reappointment for one additional term, ensuring periodic renewal within the Commission. The President may grant leave for up to two months, during which a temporary replacement can be appointed. The PSC can continue functioning even with vacancies, ensuring continuity in its work.

The regulatory framework governing Sri Lanka's public service is designed to uphold the highest ethical standards. Rule 45 of the Public Service Commission Rules sets stringent criteria to disqualify individuals with tainted records or criminal convictions from entering or re-entering public service. In theory, this rule should ensure that only candidates who meet high ethical and legal standards are considered for public office, thereby safeguarding public

²⁰ The Constitution of the Democratic Republic of Sri Lanka, March 2024, <https://www.parliament.lk/files/pdf/constitution.pdf>.

trust and state security.²¹ In addition, a more recent Gazette titled "Procedural Rules on Appointment, Promotion, and Transfer of Public Officers," published by the PSC on December 14, 2022, outlines a detailed framework for managing public officers' careers. This Gazette emphasizes transparency, merit, and fairness by mandating that appointments, promotions, and transfers be based on qualifications and relevant experience, thereby aiming to ensure that the public service operates efficiently, impartially, and in alignment with the national interest rather than personal gain.²²

However, the implementation of these regulatory provisions faces significant challenges. Despite the existence of strict disqualification criteria, 99% of promotions within the public sector are currently based on seniority rather than merit.²³ This practice not only stifles performance-based advancement but also perpetuates a culture where high-ranking officials are insulated by a system that requires cabinet approval for any merit-based changes, creating a substantial policy barrier.²⁴ Furthermore, while the PSC possesses disciplinary authority—including the power to blacklist officials convicted of corruption—this mechanism is undermined by its limited control over senior figures appointed directly by the Cabinet or the President. The issue is compounded by broader systemic corruption, with figures such as Neville Guruge, a former Commissioner of the Commission to Investigate Allegations of Bribery or Corruption, estimating that 25% of Sri Lanka's 1.5 million public servants are actively engaged in corrupt practices, while the remaining 75% fail to take action due to bureaucratic inertia.²⁵ This suggests that corruption is not only tolerated but, in many cases, deeply ingrained within public sector structures.

A more nuanced issue emerges when considering the nature of accountability within Sri Lanka's public service: the state's selective approach to enforcing ethical standards. While certain regulatory mechanisms exist to prevent unqualified individuals from entering the public sector, the same rigor is not applied when appointing individuals to high-ranking government positions. The appointment of figures accused of war crimes – such as Major General Shavendra Silva's elevation to second-in-command of the Sri Lanka Army²⁶ illustrates how alleged ethical disqualification allegations are disregarded when political interests take

²¹ Public Service Commission Procedural Rules, 20 February 2009, https://www.psc.gov.lk/images/pdf/2_1_1_Procedural_Rules_of_the_PSC.pdf.

²² Public Administration Circular, 2022, <https://pubad.gov.lk/web/images/circulars/2022/E/1669400797-24-2022-e.pdf>.

²³ Key Informant Interview – Senior Official, Public Service Commission, 11 July 2024.

²⁴ Key Informant Interview – Senior Official, Public Service Commission, 11 July 2024.

²⁵ Daily Financial Times, February 2019, <https://www.ft.lk/columns/Public-sector-and-corruption--Who-should-be-accountable-/4-673219>, accessed on 18 July 2024.

²⁶ Aljazeera, January 2019, Alleged war criminal named second-in-command of Sri Lanka army, <https://www.aljazeera.com/news/2019/1/10/alleged-war-criminal-named-second-in-command-of-sri-lanka-army>, accessed on 18 July 2024.

precedence. Similarly, scandals such as the Avant-Garde arms deal,²⁷ and fraudulent fertilizer subsidy schemes²⁸ highlight the disconnect between regulatory frameworks and actual enforcement. The governance challenge, therefore, is not merely the existence of corruption, but the strategic use of regulatory mechanisms to selectively target lower-level officials while shielding politically connected individuals.

This selective enforcement creates a paradox: stringent regulations exist to prevent low- and mid-level officials with compromised integrity from entering public service, but the very individuals who shape and implement these regulations are often implicated in severe ethical and legal violations themselves. As a result, public sector governance in Sri Lanka operates under a façade of integrity, where anti-corruption measures are applied inconsistently, further eroding trust in state institutions. Reform efforts must therefore go beyond regulatory adjustments and instead address the deep structural imbalances that allow high-level impunity to persist.

Usually key decision-makers such as Director-Generals, Department Heads, and Secretaries are appointed directly by the Cabinet or the President, which restricts the Public Service Commission's (PSC) ability to enforce anti-corruption measures and creates a legislative gap.²⁹ Further complicating governance, senior officials are required to disclose conflicts of interest only to their department heads, with such disclosures confined to personnel files rather than being managed centrally. The PSC, lacking authority over higher-level officials, is unable to compel timely and comprehensive reporting, thereby undermining transparency and accountability. Collectively, these structural and administrative deficiencies impede the realization of UNCAC's objectives for a corruption-resistant public sector in Sri Lanka.

Sri Lanka's Corruption Perceptions Index (CPI) has either stagnated or declined—scoring as low as 34 in 2023, well below the global average of 43 and ranking 115 out of 180 countries.³⁰ Similarly, the World Bank's Worldwide Governance Indicators reveal persistent shortcomings in the "Control of Corruption" dimension, reflecting a failure to translate sound regulatory frameworks into effective accountability in practice.³¹ Complementing these measures, the

²⁷ Economy Next, November 2015, Sri Lanka's 'Avant Garde' arms scandal takes another twist, <https://economynext.com/sri-lankas-avant-garde-arms-scandal-takes-another-twist-3163/> <https://economynext.com/sri-lankas-avant-garde-arms-scandal-takes-another-twist-3163/>, accessed on 18 July 2024.

²⁸ Daily Mirror, February 2024, Fraudulent sale of subsidized fertilizer Ten top officials of fertilizer companies are to be arrested, https://www.dailymirror.lk/print/front-page/Fraudulent-sale-of-subsidized-fertilizer-Ten-top-officials-of-fertilizer-companies-are-to-be-arrested/238-276991#google_vignette, accessed on 25 July 2024.

²⁹ Key Informant Interview – Senior Official, Public Service Commission, 11, July 2024.

³⁰ Transparency International, Corruption Perceptions Index - Sri Lanka, <https://www.transparency.org/en/countries/sri-lanka> <https://www.transparency.org/en/countries/sri-lanka>, accessed on 25 July 2024.

³¹ World Bank, Worldwide Governance Indicators – Sri Lanka, <https://www.worldbank.org/en/publication/worldwide-governance-indicators/interactive-data-access>, accessed on 25 July 2024.

Global Corruption Barometer³² indicates that everyday encounters with corruption remain widespread among citizens, further reinforcing the disconnect between policy intent and ground realities. In essence, while Sri Lanka's legal framework appears robust on paper, these international indicators collectively suggest that systemic implementation gaps continue to undermine efforts to curb corruption in the public sector.

Ombudsman³³

The provisions outlined in the Parliamentary Commissioner for Administration Act No. 17 of 1981³⁴ establish the framework within which the Ombudsman can operate as an oversight mechanism to ensure that public sector officials adhere to their codes of conduct. Section 10³⁵ grants the Public Petitions Committee of Parliament the authority to refer petitions alleging infringements of fundamental rights or other injustices by public officers to the Ombudsman for investigation. This positions the Ombudsman as a crucial intermediary between citizens and the government, even so far as to enable investigations into allegations that may otherwise be shielded by other laws. By allowing the Ombudsman to investigate and report on matters notwithstanding other written laws that state they cannot be questioned in court, this section effectively broadens the scope of accountability within the public sector.

Section 14³⁶ and the subsequent sections provide the Ombudsman with autonomy and discretion in conducting investigations, emphasizing the independence of the office. These powers enable the Ombudsman to conduct thorough and discreet investigations, protecting the confidentiality of sensitive information while ensuring that those under investigation can respond to the findings. Section 18 allows for the Ombudsman to report findings directly to Parliament.

In terms of public disclosure, there is limited direct information available regarding its functions to ascertain its effectiveness. Given this, the following is a general analysis by the authors of this report, based on the role and typical functions of an Ombudsman and the limited sources available online, namely the Ombudsman Annual Report 2019.³⁷

Firstly, the Ombudsman has limited resources available, which significantly hampers the office's ability to operate efficiently and effectively.³⁸ Coupled with this is a general lack of

³² Transparency International Sri Lanka, 2019, Global Corruption Barometer – Sri Lanka, <https://www.tisrilanka.org/wp-content/uploads/2019/12/GCB2019.pdf>, accessed on 6 March 2024.

³³ TISL made every effort to engage the Office of the Ombudsman for the purposes of this report; however, there was no response or participation from the institution.

³⁴ Parliamentary Commissioner for Administration Act No. 17 of 1981, https://www.ombudsman.gov.lk/wp-content/uploads/2018/05/17-1981_E1.pdf.

³⁵ Ibid.

³⁶ Section 14 Parliamentary Commissioner for Administration Act No. 17 of 1981, https://www.ombudsman.gov.lk/wp-content/uploads/2018/05/17-1981_E1.pdf.

³⁷ Ombudsman Annual Report, 2019, <https://www.ombudsman.gov.lk/wp-content/uploads/2021/09/Annual-Performance-Report-2019-Part-1.pdf>, accessed on 15 May 2024.

³⁸ See Role of the Ombudsman, Centre for Policy Alternatives, 2018, May 2023.

public awareness regarding the existence and functions of the Ombudsman, which leads to underutilization of the office's services. This is partly due to the limited transparency in its operations, which further diminishes its credibility and the public's trust and lack of public awareness of the role of the Ombudsman. Additionally, the legal and administrative frameworks within which the Ombudsman operates are often seen as complex and restrictive, further limiting the office's ability to meaningfully address grievances.

Secondly, certain officials, particularly from the Ministry of Public Administration, are reluctant to implement the recommendations made by the Ombudsman.³⁹ This reluctance undermines the effectiveness of the Ombudsman's role in addressing grievances and ensuring justice. There is resistance often from officials who are dissatisfied with corrective decisions in respect of their administrative actions. This situation creates delays in resolving complaints and casts doubt on the commitment of these officials to uphold justice and good governance.

Thirdly, there are challenges faced by the Ombudsman's Office in dealing with complaints due to the inadequacy of information provided by the applicants.⁴⁰ This lack of essential information often hinders the commencement of inquiries, necessitating additional efforts to obtain the required details, which in turn delays the resolution process. There should be a more streamlined and clear procedure for gathering information from complainants which would be beneficial in addressing this issue. Additionally, the lack of public awareness regarding the Ombudsman's functions leads to underutilization of its services.⁴¹ Many citizens remain uninformed about the avenues available for redress, resulting in a low volume of complaints relative to the potential number of grievances. This gap in awareness not only hampers the Ombudsman's ability to address issues but also reflects a broader disconnect between the public and mechanisms designed to uphold administrative justice.

Another area that hampers the effectiveness of the Ombudsman's interventions is the response time of various government departments, particularly the Department of Pensions and the Ministry of Education. While the Department of Pensions has shown some improvement in responding to complaints, delays still occur, requiring multiple reminders.⁴² The Ministry of Education, on the other hand, is criticized for its slow response, which could be attributed to the large number of officers under its purview.⁴³

Furthermore, there is complacency on the part of Local Authorities in taking legal action on issues such as unauthorized constructions, inadequate drainage systems, and disturbances

³⁹ See [Ombudsman Annual Report 2019](#), May 2023.

⁴⁰ See [Ombudsman Annual Report 2019](#), May 2023.

⁴¹ See Role of the Ombudsman, Centre for Policy Alternatives, 2018, May 2023.

⁴² See [Ombudsman Annual Report 2019](#), May 2023.

⁴³ See [Ombudsman Annual Report 2019](#), May 2023 (the most recent report available on the Ombudsman website).

caused by neighbouring activities.⁴⁴ Despite numerous recommendations from the Ombudsman, these issues remain unresolved due to the failure of Local Authorities to act decisively. This inaction prevents the realization of desired outcomes and exacerbates the grievances of affected citizens.⁴⁵ There is a dire need for better cooperation from public officials, improved procedures for collecting necessary information, faster response times from government departments, and more proactive legal action. Addressing these areas would enhance the efficiency and effectiveness of the Ombudsman's Office in fulfilling its mandate.

The continued relevance of the Ombudsman's office must be assessed in light of its unique institutional role. While entities like CIABOC investigate corruption, the Ombudsman provides a distinct and accessible forum for addressing administrative grievances, particularly those that fall short of corruption offences or criminality but still reflect systemic injustice or bureaucratic abuse. It serves as an important avenue for citizens, especially those without access to formal legal remedies, to seek redress and hold public administration accountable.

Nonetheless, the office's effectiveness is significantly curtailed by its lack of enforcement power.⁴⁶ Public officials, particularly within the Ministry of Public Administration, often fail to implement the Ombudsman's recommendations, thereby undermining its authority and perpetuating a culture of impunity. Without a mechanism to compel compliance, the office risks being relegated to a merely advisory role, limiting its ability to drive tangible reforms in public service delivery.

To ensure that the Ombudsman can fulfil its mandate meaningfully, reforms must not only enhance its financial and human resources but also strengthen the legal framework underpinning its authority. Better integration with other oversight bodies, such as CIABOC, more structured complaint-handling procedures, and regular public reporting would further reinforce its role in Sri Lanka's accountability architecture.

Conflicts of Interest

The Establishments Code Chapter XXIX

Public officers have access to privileged information or opportunities not available to the public. This is why Chapter XXIX of the Establishments Code⁴⁷ establishes an obligation to obtain the necessary approvals and adhere to reporting requirements. The Establishments Code governs the conduct, appointment, promotion, transfer, disciplinary control, and dismissal of public officers across various institutions. It applies to ministries, provincial councils, heads of departments, and other public sector entities, including public corporations and statutory bodies where public officers are employed. The code covers officers in

⁴⁴ [Ombudsman Annual Report 2019](#), May 2023

⁴⁵ See [Ombudsman Annual Report 2019](#), May 2023.

⁴⁶ See Role of the Ombudsman, Centre for Policy Alternatives, 2018, May 2023.

⁴⁷ See Establishments Code of Sri Lanka Volume II, 1999, [https://pubad.gov.lk/web/images/contents/e_code/establishments-code-volume-ii-1999\(e\).pdf](https://pubad.gov.lk/web/images/contents/e_code/establishments-code-volume-ii-1999(e).pdf).

permanent positions, those in acting or temporary roles, and officers under interdiction or suspension, providing guidelines for disciplinary actions, reinstatement, and salary payments during inquiries. Its primary objectives include standardizing administrative procedures, defining public officers' roles and responsibilities, outlining processes for appointments and promotions, and establishing disciplinary procedures, including mechanisms for handling misconduct and appeals.

The chapter outlines that public officers must first declare any intention to acquire land, particularly if it is within their area of influence or jurisdiction and seek prior approval from the relevant authorities.⁴⁸ Public officers must obtain prior approval from the relevant authorities before engaging in significant financial transactions, including land acquisition, investments, and mortgages. This approval process is designed to provide oversight and ensure they do not engage in activities that could be detrimental to their official duties or the reputation of the public service. Furthermore, public officers must report any such transactions to their superiors or the relevant oversight bodies, ensuring that there is a clear record of their financial activities and that these activities are subject to scrutiny. If the transaction could be seen as a conflict of interest or if it could compromise impartiality, public officers will be prohibited from purchasing land or any other immovable property.

Given their access to confidential and potentially market-sensitive information, public officers are required to exercise caution in their investment activities. The chapter outlines that public officers must refrain from making investments in enterprises or businesses that could lead to a conflict of interest or could be construed as an abuse of their official position for personal gain. Investments in sectors that are closely related to their official duties or where they have regulatory oversight are particularly scrutinized. They must disclose their investment activities to ensure transparency and avoid any situation that could undermine public confidence in the integrity of the public service.

However, this existing framework to tackle conflicts of interest is poorly defined, according to international financial institutions.⁴⁹ In the Establishments Code, public officials are directed to "not do anything which will bring his private interests into conflict with his public duty, or which compromises his office." However, the Code lacks clarification of essential terms such as "private interests," "public duty," or the vague term "anything".⁵⁰ Public officials are expected to declare conflicts to management committees within their respective agencies and follow the guidance provided on how to proceed.⁵¹ Each institution is responsible for

⁴⁸ See [Establishments Code of Sri Lanka Volume II, 1999](#), May 2024.

⁴⁹ International Monetary Fund, Governance Diagnostic Assessment of Sri Lanka, 2023, <https://www.imf.org/en/Publications/CR/Issues/2023/09/29/Sri-Lanka-Technical-Assistance-Report-Governance-Diagnostic-Assessment-539804>, accessed on 15 May 2024.

⁵⁰ See [Establishments Code of Sri Lanka Volume II, 1999, May 2024](#), May 2024.

⁵¹ See [Establishments Code of Sri Lanka Volume II, 1999, May 2024](#), May 2024.

developing its conflict-of-interest policy and overseeing its implementation, leading to inconsistencies and a lack of a unified approach.⁵²

There is no indication that conflict of interest mechanisms is actively enforced. While CIABOC released a handbook on Conflict of Interest in 2019⁵³ to offer guidance to agencies and officials, there is no centralized system to track or report the number of conflicts reviewed by management committees or their outcomes.⁵⁴ Similarly, there is no structured process to verify whether officials have submitted their required asset declarations, nor are there penalties in place for non-compliance, either in failing to disclose assets or neglecting to declare conflicts of interest. Additionally, there needs to be clarity on how CIABOC and PSC work within the space of conflict of interest.

Section 107 of the Anti-Corruption Act⁵⁵ mandates that any public official who has a direct or indirect personal interest, or who's relative or associate has such an interest, in dealings with a person, company, partnership, or other undertaking must immediately disclose this interest to the relevant public authority. Additionally, the provision prohibits such officials from participating in any decision-making processes related to the matter where their personal interest is involved. The strength of this Section lies in its clear and enforceable sanctions: any public official who fails to comply with these requirements commits an offence punishable by a fine of up to one million rupees (around 3300 USD) or a term of rigorous imprisonment of up to seven years, or both.

Despite its strengths, the effectiveness of this clause will depend on its consistent and effective enforcement and the broader integrity of the legal and judicial systems. While the sanctions are appropriately severe, the real challenge lies in ensuring that public officials are held accountable without bias or delay⁵⁶. Thus, while Section 107 is a commendable step forward, its true impact will be realized only through vigilant application, particularly by the Commission to Investigate Bribery and Corruption. To date, there is no publicly available information on the enforcement of this section.

Companies Act No. 07 of 2007

⁵² See [International Monetary Fund Governance Diagnostic Assessment of Sri Lanka, 2023](#).

⁵³ CIABOC, Conflict of Interest Handbook, 2019, <https://www.ciaboc.gov.lk/media/attachments/2019/03/16/3.-conflict-of-interest-eng.pdf>, accessed on 23 January 2025.

⁵⁴ See [International Monetary Fund Governance Diagnostic Assessment of Sri Lanka, 2023](#), May 2024.

⁵⁵ Anti-Corruption Act No. 09, 2023, <https://www.parliament.lk/uploads/acts/gbills/english/6296.pdf>, accessed on 15 May 2024.

⁵⁶ Key Informant Interview – Prof. Rohan Samarajiva, Founding Chair of LIRNEAsia, Former Chair of the ICT Agency, 12 November 2024.

Section 482 of the Companies Act⁵⁷ imposes confidentiality obligations on individuals employed within the Department of the Registrar-General of Companies. It makes it an offence for any current or former employee to unlawfully disclose or misuse information related to company documents filed under the Act. Such information, accessed or obtained during employment, must not be shared with unauthorized persons or used for unauthorized purposes. Violations are punishable by a fine of up to five hundred thousand rupees (equivalent to around 1660 USD) or imprisonment for a term up to two years, or both. There is scant publicly available evidence regarding the number of sanctions imposed under Section 482 nor any high-profile cases involving breaches of confidentiality by current or former employees of the Department of the Registrar-General of Companies. Analysis of media reports suggest that enforcement of this provision remains limited, with limited cases making it into the public domain.

While this provision is justifiable for its focus on protecting sensitive information, imposing strict confidentiality obligations on employees of the Department of the Registrar-General of Companies, creates a legal environment where the act of disclosing sensitive information (even in the public interest) can lead to sanctions. This framework not only limits the scope of protected disclosures to a narrow group but also instils a pervasive fear among potential whistleblowers who might otherwise expose corruption or unethical practices. The threat of fines up to five hundred thousand rupees and imprisonment for up to two years discourages individuals from coming forward with critical information, effectively stifling the very mechanism needed for accountability and transparency in corporate governance. By criminalizing the disclosure of documents, regardless of the intent behind it, the provision undermines the protective measures that robust whistleblower policies typically offer, ultimately weakening broader anti-corruption efforts.

This restrictive approach also appears to be in tension with the Anti-Corruption Act No. 9 of 2023, which grants the CIABOC broad powers to compel the production of information and documents from any person or institution, including state entities⁵⁸. While the Act empowers CIABOC, in its capacity as an investigatory institution, this power is only triggered when an investigation is underway. As such, it does not function as a substitute for broader whistleblower protections – particularly for individuals who disclose information proactively or outside the scope of an active CIABOC inquiry. Without clear protections for such disclosures, individuals remain vulnerable to criminal sanctions even when acting in the public interest, thereby limiting the early detection of corruption and undermining preventive accountability mechanisms.

⁵⁷ Section 482 of the Companies Act No. 07 of 2007, <https://www.parliament.lk/uploads/acts/gbills/english/3776.pdf>, accessed on 13 August 2024.

⁵⁸ Anti-Corruption Act No. 09 of 2023, Section 47

Sri Lanka has not resolved the issues related to the transparency of beneficial ownership of legal entities within its legal framework, since the 2015 Mutual Evaluation Report (MER).⁵⁹ Specifically, there is no requirement for companies or the company registry to collect or maintain up-to-date information on the beneficial owners of companies. Additionally, the concept and definition of beneficial ownership are not currently included in the Companies Act. Moreover, there is no established mechanism that allows competent authorities to access beneficial ownership information in a timely manner.

An Amendment to the Companies Act No. 7 of 2007 was introduced in September of 2024 to establish a Beneficial Ownership register. However, there were serious concerns regarding exemptions granted to offshore companies incorporated outside Sri Lanka and overseas companies registered under the Companies Act, which are not required to disclose beneficial ownership information if they comply with registration requirements in their respective countries of incorporation. Additionally, public access to details of beneficial owners is restricted, limiting transparency. Although a legal challenge against the amendment was initiated by TISL, the case was terminated on October 3, 2024, following the dissolution of Parliament after the 2024 Presidential election, preventing a court determination. Following the election of the new Administration, no formal publicly known progress has been made.

The creation of a beneficial ownership register is crucial for Sri Lanka to mitigate conflicts of interest and enhance transparency and accountability, as well as to combat corruption in public procurement, money laundering, election campaign financing, and to otherwise curb illicit financial flows. By providing a clear and accessible record of the actual individuals who own or control companies, the register would help prevent public officials from awarding contracts to companies where they are the true beneficiaries, thereby reducing corruption in public procurement. In a broader sense, the register would promote integrity in both the public and private sectors, ensuring that decisions are made based on merit and public interest, rather than personal gain.

Regarding implementation of codes of conduct, despite rare occasions where regulatory measures have been enacted, such as the Securities and Exchanges Commission suspended former Sri Lankan company Taprobane Securities (Pvt.) Ltd CEO's stockbroker, and a former Sri Lankan Cricketer faced disciplinary action following remand for financial irregularities during his tenure as Carlton Sports Network's CEO.⁶⁰ Effectiveness of these mechanisms is

⁵⁹ Asia/Pacific Group on Money Laundering, September 2015, Anti-money laundering and counter-terrorist financing measures – Sri Lanka – Mutual Evaluation Report: <https://www.fatf-gafi.org/content/dam/fatf-gafi/fsrb-mer/APG-Mutual-Evaluation-Report-Sri-Lanka-2015.pdf>, accessed on 15 August 2024.

⁶⁰ Ada Derana, January, 2016, Weliwita remanded, <https://adaderana.lk/news.php?nid=33996>, accessed on 15 August 2024.

often hindered by factors such as political bias, intimidation, and threats.⁶¹ Several high-profile appointments in Sri Lanka's public service have sparked significant concerns about conflicts of interest, yet responses from regulatory authorities remain inconsistent. For instance, Tilak Siyambalapitiya, owner of RMA Energy—a consultancy benefiting from the energy sector—was appointed as the state-owned Ceylon Electricity Board (CEB) Chairman despite clear indications of a conflict,⁶² and the newly, arguably the largest state-owned retail chain, despite his previous roles at Ceylon Biscuits, with no mitigative action taken in either case.⁶³ Furthermore, dual roles held by key figures, such as Treasury Secretary—who also serves as Secretary to the Ministry of Economic Development—exacerbate governance challenges by blurring lines of accountability. Similarly, Dhammika Perera's reappointment as Co-Chairman of Hayley's Group, Sri Lankan multinational conglomerate and one of the largest employers of the private sector in Sri Lanka, following his prior exit from the private sector upon filling a National List seat in the Parliament⁶⁴, underscores how conflicts of interest continue to persist without effective intervention. These cases collectively illustrate a pattern where selective enforcement and administrative inertia hinder the establishment of a fully transparent and accountable public service, thereby compromising the integrity of governmental operations.

Senior officials, particularly those classified as staff officers, are generally aware of the need to disclose conflicts of interest. They are required to disclose conflicts to their department heads, but this information is only recorded in their personnel files and not centrally managed. A major challenge is the lack of enforcement power over department heads and secretaries, who are controlled by the Cabinet and President. They often delay submitting reports, and the PSC has no authority to compel them.⁶⁵

The Anti-Corruption Act No. 9 of 2023⁶⁶ introduces provisions requiring CIABOC to oversee and manage conflict of interest disclosures in a more structured and centralised manner. However, there is limited clarity on how these provisions will be operationalised in practice,

⁶¹ Key Informant Interview— *Former Local Government Official, 2023 - In Sri Lanka, a Local Government Official is a public servant who works within the local government system, which consists of Municipal Councils, Urban Councils, and Pradeshiya Sabhas. These officials are responsible for implementing local policies, providing public services, and managing administrative functions at the local level.*

⁶² Ceylon Today, September 2024, Energy Experts Slam New CEB Chairman's Appointment, <https://ceylontoday.lk/2024/09/28/energy-experts-slam-new-ceb-chairmans-appointment/>, accessed on 25 October 2024.

⁶³ Newswire, October 2024, Top corporate leader Dr. Samitha Perera to head Lanka Sathosa, <https://www.newswire.lk/2024/10/05/top-corporate-leader-dr-samitha-perera-to-head-lanka-sathosa/>, accessed on 25 October 2024.

⁶⁴ Centre for Poverty Analysis, June, 2022, Statement on Constitutionality of Appointment of Mr. Dhammika Perera as a Member of Parliament Through the SLPP National List, <https://www.cpalanka.org/wp-content/uploads/2022/06/CPA-statement-in-re-to-Dhammika-Pereras-appointment-as-an-MP.pdf>, accessed on 30 October 2024.

⁶⁵ Key Information Interview – Senior Official, Public Service Commission, July 2024.

⁶⁶ Anti-Corruption Act No. 9 of 2023, Section 107.

particularly regarding oversight of senior officials and enforcement mechanisms over department heads and secretaries.

Furthermore, despite Sri Lanka's 2019 National Action Plan to Combat Bribery and Corruption⁶⁷ introducing a set of Rules on Conflict of Interest developed by CIABOC and the Ministry of Public Administration, these rules have not been meaningfully implemented. Despite outlining detailed procedures for declarations, oversight mechanisms, and sanctions, the rules were not formally integrated into institutional practices or operationalised across public sector entities. As a result, there has been minimal awareness among public officials regarding their existence or application. This lack of institutionalisation and dissemination has rendered the rules largely ineffective in addressing conflicts of interest in practice, reinforcing the need for a comprehensive, legally enforceable code of conduct that is actively monitored and accompanied by awareness-raising and training programs.

Role of the Attorney General of Sri Lanka

In Sri Lanka, the Attorney General's dual mandate as both the chief legal adviser to the government and the primary prosecutor creates an inherent conflict of interest that undermines the integrity of public service and fuels perceptions of political bias in the administration of justice.⁶⁸ By defending government policies and government officials in court while also being responsible for initiating criminal proceedings which could be against government officials, the AG's role becomes inherently contradictory, compromising the impartiality essential for effective anti-corruption measures. This conflict was notably illustrated in the high-profile fundamental rights case on the procurement of illicit pharmaceuticals by the State, where the Attorney General was forced to recuse from prosecution due to concerns over these conflicting responsibilities⁶⁹ and the withdrawal of many high-profile cases by the Attorney General, notably including the "Divi Neguma" and "Almanack" cases, in which former Finance Minister Basil Rajapaksa was accused of embezzlement before ultimately being acquitted of all charges.⁷⁰ Public discontent has been palpable, with protest demanding independence and impartiality in the process. Such instances not only diminish public trust in the legal system but also hinder the enforcement of accountability, as decisions are open to be influenced by political considerations rather than objective legal criteria. International and local observers have called for the establishment of an independent Public Prosecutor's Office to resolve these issues, arguing

⁶⁷ CIABOC National Action Plan 2019 – 2023, accessed Jan 2025, <https://ciaboc.gov.lk/media-centre/resources/national-action-plan-2019-2023>

⁶⁸ See [International Monetary Fund Governance Diagnostic Assessment of Sri Lanka](#), 2023.

⁶⁹ IMF, Ceylon Today, November 2023, Attorney General: A Victim of Conflict of Interest, <https://ceylontoday.lk/2023/11/04/attorney-general-a-victim-of-conflict-of-interest-imf/>, accessed on 30 October 2024.

⁷⁰ The Morning, April, 2022, Lawyers protest AG's withdrawal of politicians' cases, <https://www.themorning.lk/articles/197459>, accessed on 30 October 2024.

that a separation of roles would bolster prosecutorial independence and enhance overall governance.⁷¹

The Central Bank of Sri Lanka

The governance structure of the Central Bank of Sri Lanka reveals significant conflicts of interest that compromise its autonomy and effectiveness. Under the previous legal framework, the CBSL was directly responsible for managing both the Employee Provident Fund (EPF) and the Debt Management Office, a dual mandate that blurs the boundaries between monetary and fiscal policy functions.⁷² This arrangement has attracted public criticism, particularly regarding the handling of government securities and domestic borrowings, as it creates an inherent conflict when the same institution oversees regulatory functions and operational fiscal activities.⁷³ Moreover, the Monetary Board's involvement in both the EPF's governance—making key investment decisions and reviewing financial statements—and Central Bank supervision raises concerns that its focus may be diverted from core monetary responsibilities, thereby undermining public confidence in its impartiality. Although the enactment of the new Central Bank of Sri Lanka Act⁷⁴ is a critical step toward enhancing the bank's institutional, personal, and financial autonomy by reforming appointment processes, the transition remains incomplete without a fully delineated alternative framework to separate monetary policy from fiscal management.⁷⁵ These structural issues continue to erode the credibility of the CBSL, ultimately impeding efforts to promote transparency and accountability within a crucial sector of Sri Lanka's public service.

While regulations exist, their enforcement varies greatly depending on the institution and its management. In some cases, these policies are reviewed and enforced rigorously, while in others, there is a lack of follow-up, leading to the perception that these laws are more for namesake than practical implementation.⁷⁶ While Sri Lanka has established frameworks intended to guide public service effectively and prevent corruption and conflicts of interest, these measures are frequently undermined by a deeply ingrained culture of impunity, corruption, and complacency. The situation is exacerbated by severe delays in the implementation of these regulations, allowing many instances of corruption and misconduct

⁷¹ See [International Monetary Fund Governance Diagnostic Assessment of Sri Lanka](#), 2023.

⁷² Transparency International Sri Lanka, 2023, Civil Society Governance Diagnostic Report on Sri Lanka, p. 31, 32, https://www.tisrilanka.org/wp-content/uploads/2023/09/GDA_REPORT_2023.pdf, accessed on 30 October 2024.

⁷³ See [International Monetary Fund Governance Diagnostic Assessment of Sri Lanka](#), 2023.

⁷⁴ Central Bank of Sri Lanka Act No. 16 of 2023, https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/laws/acts/en/central_bank_of_sri_lanka_act_2023_e.pdf.

⁷⁵ International Monetary Fund, December 2023, Sri Lanka: First Review Under the Extended Arrangement Under the Extended Fund Facility, <https://www.imf.org/en/Publications/CR/Issues/2023/12/12/Sri-Lanka-First-Review-Under-the-Extended-Arrangement-Under-the-Extended-Fund-Facility-542441>, accessed 7 November 2024.

⁷⁶ Key Informant Interview – Former Local Government Official, 2023.

to be overlooked or concealed. Timely enforcement of these rules is critical to fostering a transparent and accountable public sector free from corruption. Additionally, the lack of proper oversight and the politicization of significant roles in the public service have further enabled corruption and the exploitation of public positions for illicit gains. To overcome these challenges, Sri Lanka urgently needs to transition towards a meritocratic public sector, with increased investment in talent to ensure that public service is both effective and ethical.⁷⁷

Declaration of Assets and Liabilities

Anti-Corruption Act, No. 09 of 2023

The Anti-Corruption Act, No. 9 of 2023⁷⁸ of Sri Lanka contains several critical provisions related to the declaration of assets and liabilities, aimed at promoting transparency, accountability, and integrity among public officials. The Act imposes a legal obligation on a broad range of public officials and individuals in positions of public trust to declare their assets and liabilities. These provisions serve as a vital mechanism for combating corruption and ensuring that public officials remain accountable for their financial dealings. By centralizing the responsibility for declarations under a single authoritative body, the Act enhances the consistency and effectiveness of oversight, ensuring that all declarations are processed, verified, and monitored uniformly.

Legislative overview

The Anti-Corruption Act⁷⁹ mandates that a broad spectrum of public officials—including the highest offices (such as the President, Prime Minister, and Members of Parliament), regional and local government officers, judicial, military, and selected private staff—must regularly declare their assets and liabilities. Declarations must cover not only the individual’s own financial interests but also those of their spouse, dependent children, and any other individuals sharing a common household. The legislation specifies multiple timelines for declaration: an initial declaration upon appointment, annual updates, declarations at the end of tenure or upon retirement, post-retirement updates for two consecutive years, and ad-hoc declarations triggered by significant changes in asset value. Submission is mandated via a centralized electronic system, with provisions for manual submission under exceptional circumstances. The Act⁸⁰ also provides for thorough verification by the CIABOC, which may access various governmental databases to detect discrepancies or potential illicit enrichment. Finally, the framework⁸¹ outlines a range of sanctions – including administrative fines and

⁷⁷ Key Informant Interview – Academic, Expert in Public Administration, 2023.

⁷⁸ See [Anti-Corruption Act No. 09 of 2023](#), June 2024.

⁷⁹ See [Anti-Corruption Act No. 09 of 2023](#), June 2024.

⁸⁰ See [Anti-Corruption Act No. 09 of 2023](#), June 2024.

⁸¹ See [Anti-Corruption Act No. 09 of 2023](#), June 2024.

imprisonment – for non-compliance, false declarations, or failure to supply additional required information.

As of August 2024, the asset declarations of over 100 top officials, including the President, are made publicly accessible on the official CIABOC webpage.⁸² However, there is strong concern over the efficacy of these declarations.⁸³ Crucial details, such as bank account balances, the dates on which accounts were opened, and names of children have been redacted by the CIABOC in the published versions of the declarations.⁸⁴ Section 88 (1) of the Anti-Corruption Act stipulates that specific information shall be redacted, including residential addresses and full addresses of real estate, except for ward and district information, dates of birth, identification numbers, bank account numbers or any other deposit details. The CIABOC, however, has adopted an overly broad interpretation of this section of the law, which undermines the very purpose of public access to these declarations to prevent illicit enrichment. This does not only undermine the spirit and purpose of the law but also exploits potential loopholes, allowing public officials and institutions to evade accountability.⁸⁵

The International Monetary Fund (IMF) recommended making asset declarations public,⁸⁶ and this was subsequently included in a Government Action Plan⁸⁷ with a deadline for implementation by July 2024, aimed at enabling the public to monitor for signs of unjust enrichment, potential illicit financing and breach of public trust by public officials. However, for public access to be meaningful and effective in the ongoing reform process, the CIABOC must urgently act on the concerns regarding the extent and impact of the said redactions. It is crucial that vital information is made available to engage citizens in holding public officials accountable, and to effectively implement anticipated legislation on Beneficial Ownership and Proceeds of Crime.

Furthermore, the proviso of section 88 of the Anti-Corruption Act mandates that once the CIABOC publishes a declaration of assets and liabilities for public access, it must ascertain and record the identity of the person seeking to obtain the document.⁸⁸ This means that anyone who wishes to view the asset declarations must go through a registration process where their

⁸² CIABOC, Asset Declarations Systems, <https://ads.ciaboc.lk/>, accessed on 3 September 2024.

⁸³ Transparency International Sri Lanka, 10 September 2024, TISL urges CIABOC to reconsider the unwarranted redacting of asset declarations, to the public, <https://www.tisrilanka.org/tisl-urges-ciaboc-to-reconsider-the-unwarranted-redacting-of-asset-declarations-to-the-public/>, accessed on 30 October 2024.

⁸⁴ EconomyNext, September 2024, Corruption fighter raises concerns over unwarranted redacting in Sri Lanka's asset declaration, <https://economynext.com/corruption-fighter-raises-concerns-over-unwarranted-redacting-in-sri-lankas-asset-declaration-179301/>, accessed on 30 October 2024.

⁸⁵ Key Information Interview – Sankhitha Gunaratne, Head – Governance and Anti-Corruption, Verite Research, former Deputy Executive Director, Transparency International Sri Lanka, 13 August 2024.

⁸⁶ See [International Monetary Fund Governance Diagnostic Assessment of Sri Lanka](#), 2023, March 2024.

⁸⁷ Government Action Plan on IMF Governance Recommendations, 2024, <https://www.treasury.gov.lk/api/file/5e0c54aa-62cd-4ac3-846a-9073dfc653c6>, accessed on 15 July 2024.

⁸⁸ [Anti-Corruption Act No. 09 of 2023](#), June 2024.

identity is verified and documented by the CIABOC. While the provision might be intended to prevent misuse of the information, its current implementation imposes significant restrictions on access.⁸⁹ In practice, this obligation creates an unnecessary barrier to access, as it requires individuals to enter their email addresses. This excludes much of the public from accessing the declarations due to limited digital literacy, thus defeating the purpose of public access and transparency. Furthermore, the registration process is tied to a Sri Lankan phone number, as authorization is sent via SMS to this number. This effectively excludes Sri Lankan citizens living abroad, as well as international organizations, researchers, and other stakeholders who do not have a Sri Lankan phone number, from accessing these declarations. The restriction limits the pool of individuals who can monitor the financial integrity of public officials, thereby undermining the broader goals of transparency and accountability and asset tracing.⁹⁰ In a globalized world, where international cooperation and scrutiny are vital for anti-corruption and asset recovery efforts, such a provision hinders the effective implementation of the Act and reduces the potential advantages of making these declarations public.

Section 89 of the Anti-Corruption Act mandates that every candidate participating in elections must submit a copy of their declaration of assets and liabilities to the Commissioner of Elections alongside their nomination papers. However, a critical gap exists in both the Anti-Corruption Act and the Election Expenditure Act. As per section 90(1) of the Anti-Corruption Act,⁹¹ any person who fails to submit their declaration along with their application form for nomination for an election shall be liable to sanctions in accordance with the provisions of the relevant written laws. Notably, there is no other written law that provides for any sanction for this offense of the Anti-corruption Act. The absence of sanctions for candidates who fail to submit their asset declarations critically undermines the effectiveness of the legal framework, rendering it more persuasive than mandatory.⁹² While the law may encourage transparency, its lack of enforceable sanctions means that compliance is ultimately left to the discretion of the candidates. This creates a scenario where the legal obligation to submit asset declarations functions more as a guideline than a binding requirement, allowing candidates to sidestep accountability without fear of any real repercussions. This deficiency not only weakens the deterrent effect of the law but also sends a message that transparency, accountability, and integrity in the electoral process is negotiable rather than essential.

For asset declarations to serve as effective tools in investigations related to asset recovery, proceeds of crime, and money laundering, they must be submitted electronically and stored in machine-readable formats. This approach would enable seamless integration and cross-

⁸⁹ See EconomyNext, September, 2024, [Corruption fighter raises concerns over unwarranted redacting in Sri Lanka's asset declaration](#).

⁹⁰ Key Information Interview – Sankhitha Gunaratne, Head – Governance and Anti-Corruption Verite Research, former Deputy Executive Director, Transparency International Sri Lanka, August 2024.

⁹¹ See [Anti-Corruption Act No. 09 of 2023](#), June 2024.

⁹² Key Informant Interview, Sankhitha Gunaratne, Head – Governance and Anti-Corruption, Verite Research, August 2024.

checking with both national and global databases, allowing for analysis and rapid identification of discrepancies. Such a system would significantly enhance the ability of investigative agencies to track illicit financial flows and recover misappropriated assets. As an interim measure CIABOC is uploading scanned PDFs onto their website. However, this does not serve the purpose as the documents are not searchable or easily integrated with analytical tools, making tracking and monitoring virtually impossible. At the time of this report, it is noted that funding has been secured by the Asian Development Bank⁹³ for the development of a centralized electronic system, which is a positive development. However, delays in full implementation continue to undermine the effectiveness of the asset declaration framework.

Good practices

- Prior approval for major transactions: public officers are required to seek approval before engaging in significant financial transactions – such as land acquisitions, investments, or mortgages – ensuring that potentially conflict-inducing activities are scrutinized before proceeding.

Deficiencies

- Despite existing disqualification criteria promotions are based on seniority rather than merit, with Cabinet approval required for merit-based changes, creating a major barrier to performance-driven governance.
- While low- and mid-level officials face scrutiny, high-level appointments—often made by the President or Cabinet—escape accountability, even in cases involving serious ethical or legal violation.
- The Public Service Commission lacks authority over senior officials and cannot enforce disclosure or disciplinary measures effectively. Conflict-of-interest disclosures remain internal and fragmented, eroding transparency and accountability across the system.
- Ambiguous terminology: the Establishments Code uses vague terms which create uncertainty about what exactly constitutes a conflict of interest.
- Weak Enforcement and tracking: there is no centralized mechanism to track, report, or enforce conflict of interest declarations.
- Overly restrictive confidentiality measures: strict confidentiality provisions, particularly under the Companies Act, discourage whistleblowing. The fear of punitive sanctions – even when disclosing in the public interest – limits effective accountability.
- Poor transparency and accessibility of asset declarations: vital financial details are excessively redacted, and the registration process to access declarations is cumbersome and exclusionary. Additionally, the use of non-machine-readable scanned PDFs impedes effective public monitoring.

⁹³ CIABOC, January, 2025, Launch of the Support to Selected Anti-Corruption Initiatives Project - E Asset Declaration System, https://ciaboc.gov.lk/media-centre/latest-news/1355-launch-of-the-support-to-selected-anti-corruption-initiatives-project-e-asset-declaration-system?utm_source=chatgpt.com, addressed 20 January 2025.

4.1.2 Article 7.3 – Political Financing

While not the sole root of corruption, campaign finance plays a pivotal role in its perpetuation. Historically, Sri Lankan laws like the Ceylon (Parliamentary Elections) Order in Council of 1946⁹⁴ mandated stringent reporting and accountability for electoral expenses, with non-compliance barring candidates from parliamentary participation. This was intended to ensure transparency but was repealed by the Parliamentary Elections Act No. 1 of 1981,⁹⁵ which, while still requiring financial disclosures, eliminated the detailed tracking and public declaration of campaign sources.

The Election Expenditure Act No. 3 of 2023⁹⁶ represents a note-worthy legislative effort in Sri Lanka, aimed at regulating the financial aspects of election campaigns to promote transparency, fairness, and accountability. This Act, while having its drawbacks, introduced a range of provisions aiming to curb excessive spending, ensure equitable competition among candidates, and maintain the integrity of the electoral process. Discussions during the drafting process of the Election Expenditure law called for provisions such as the requirement for a separate bank account for campaign donation; however, these provisions were not included in the final version of the law.⁹⁷

Campaign finance and external influence on policy decisions

External influence can undermine public trust in the electoral process, creating a perception that political decisions are being dictated by foreign powers rather than reflecting the will of the people. Furthermore, external influence can erode national policymaking, which could be compromised by leaders beholden to foreign benefactors; this is particularly important for countries with significant foreign debt such as Sri Lanka.⁹⁸ Illicit financial flows significantly impact Sri Lanka's national policymaking, particularly through money laundering associated with bribery and corruption. A report by the Financial Intelligence Unit (FIU) of Sri Lanka identifies bribery and corruption as the second most significant unlawful activities generating criminal proceeds in the country, following narcotics trafficking.⁹⁹ Despite a high number of

⁹⁴ Ceylon (Parliamentary Elections) Order in Council of 1946, <https://www.parliament.lk/uploads/acts/gbills/english/3193.pdf>, accessed July 2024,

⁹⁵ Parliamentary Elections Act No. 1 of 1981, July 2024, <https://www.parliament.lk/uploads/acts/gbills/english/3193.pdf>.

⁹⁶ The Regulation of Election Expenditure Act No. 3 of 2023, July 2024, <https://www.parliament.lk/uploads/acts/gbills/english/6287.pdf>.

⁹⁷ Key Informant Interview – Manjula Gajanayake, Executive Director, Institute for Democratic Reforms and Electoral Studies (IRES), Colombo, 22 July 2024.

⁹⁸ Advocata, 14 October, 2019, Where is the money behind our politicians from?, <https://www.advocata.org/commentary-archives/tag/Campaign+Finance>, accessed on 15 September 2024.

⁹⁹ Financial Intelligence Unit Sri Lanka, National Risk Assessment on Money Laundering and Terrorist Financing (2021/22), <https://mfa.gov.lk/en/wp-content/uploads/2023/09/Full-Sanitized-NRA-Report.pdf>, accessed on 14 September 2024.

reported incidents, there is a notable lack of prosecutions, indicating challenges in enforcement and the potential for illicit funds to influence policy decisions.¹⁰⁰

The FIU's National Risk Assessment¹⁰¹ highlights that, during the assessed period, significant instances of grand bribery and corruption were not adequately reflected in investigation statistics, suggesting underreporting or insufficient investigative follow-through. This discrepancy underscores the difficulty in quantifying the exact magnitude of illicit foreign financial flows and their direct effect on policy-making. However, the pervasive nature of these activities implies a substantial impact, potentially leading to policy decisions that favor corrupt interests over public welfare.¹⁰² Ultimately, the lax regulation of campaign finances exacerbates this dynamic by enabling politicians to become increasingly reliant on – and therefore accountable to – the corrupt elite rather than to the electorate. This dependency not only distorts the electoral process but also entrenches a system of governance where policy decisions are driven by the priorities of wealthy and foreign benefactors, rather than by the public interest.

Current legislative framework – The Regulation of Election Expenditure Act No. 03 of 2023

While the law regulating campaign finance has its strengths, there is still a need for significant amendments. Within the current framework, there is difficulty in handling and tracking donations from outside Sri Lanka during the short election period, as current mechanisms are insufficient and slow, often taking years to resolve issues related to foreign transactions, whereas the election period is over within 3 months at most.¹⁰³ It is vital to have a robust mechanism involving various stakeholders, including foreign affairs, the Legal Draftsman, the Attorney General, the Election Commission and civil society experts to address these challenges effectively.¹⁰⁴ These mechanisms could involve setting up a specialized unit within the Election Commission dedicated to monitoring and investigating foreign contributions and all campaign expenses, equipped with the resources and authority to act swiftly. Additionally, fostering better coordination between the Election Commission, the Attorney General's Department, and other relevant bodies, such as the Ministry of Foreign Affairs, would be crucial in creating a more resilient electoral system.

The Act fails to specify clear procedures for the Election Commission to audit or investigate the submitted financial returns. In cases where discrepancies are found, the absence of

¹⁰⁰ Sri Lanka Brief, 17 September 2023, Bribery and corruption biggest criminal money spinner after narcotics, <https://srilankabrief.org/sri-lanka-bribery-and-corruption-biggest-criminal-money-spinner-after-narcotics/>, accessed on 30 October 2024.

¹⁰¹ See Financial Intelligence Unit Sri Lanka, 14 September 2023, National Risk Assessment on Money Laundering and Terrorist Financing (2021/22).

¹⁰² Ibid.

¹⁰³ Key Informant Interview – Manjula Gajanayake, Executive Director, Institute for Democratic Reforms and Electoral Studies (IRES), Colombo, 22 July 2024.

¹⁰⁴ Ibid.

defined auditing powers or investigative authority could result in a lack of accountability, diminishing the deterrent effect of the law. There is a strong need for vigilance and proactivity in reforming the law further. The Election Commission must take a proactive approach in enforcing the law. Current requirements for reporting are minimal and place the burden on ordinary citizens to ensure compliance.¹⁰⁵ The Act mandates that all recognized political parties, independent groups, and candidates submit detailed returns of all donations or contributions received and expenditures incurred during their campaigns.¹⁰⁶ This must be done within 21 days following the publication of election results. The returns must include specific details such as the amount and nature of each donation, the identity of donors, and a comprehensive account of campaign-related expenses, including advertising, venue rentals, and transportation. The requirement to disclose the identities of donors and the exact nature of expenditures is designed to ensure that all financial activities during an election are visible and accountable, thus reducing the risk of corruption or illegal practices.

Non-compliance and penalties

The framework for enforcing campaign finance rules as per the Election Expenditure is set out in several key legislative instruments, including the Presidential Election Act No. 15¹⁰⁷ of 1981, the Parliamentary Election Act No. 01 of 1981,¹⁰⁸ and the more recent Election Expenditure Act No. 03 of 2023. As such, any violation of campaign finance rules constitutes an "illegal practice" under the applicable election law, subjecting the offender to penalties prescribed therein. Specifically, under the Presidential Election Act No. 15,¹⁰⁹ any person convicted of an illegal practice by the High Court faces a fine of up to one hundred thousand rupees and is disqualified from being registered as an elector or voting for a period of three years. Similarly, for parliamentary elections,¹¹⁰ the penalty includes a fine of up to three hundred thousand rupees (around 1000 USD), a three-year disqualification from participating as an elector or voter (or from being elected as a Member of Parliament), with an additional consequence that any election won is vacated from the date of conviction.

However, while penalties for non-compliance being constituted an "illegal practice" is theoretically robust, in practice it reveals significant shortcomings that undermine its deterrent effect. The three-year disqualification period, for instance, is rendered largely ineffective in the context of presidential elections, where the electoral cycle spans five years

¹⁰⁵ Key Informant Interview – Manjula Gajanayake, Executive Director, Institute for Democratic Reforms and Electoral Studies (IRES), Colombo, 22 July 2024.

¹⁰⁶ See [The Regulation of Election Expenditure Act No. 3 of 2023](#), July 2024.

¹⁰⁷ Presidential Election Act No. 15 of 1981, https://elections.gov.lk/web/wp-content/uploads/publication/acts/15-1981_E.pdf, accessed January 2025.

¹⁰⁸ See Parliamentary Election Act No. 01 of 1981, <http://www.mediareform.lk/wp-content/uploads/2020/03/162-Parliamentary-Elections-Act-No.01-of-1981.pdf>, accessed January 2025.

¹⁰⁹ See [Presidential Election Act No. 15 of 1981](#), January 2025.

¹¹⁰ See [Parliamentary Election Act No. 01 of 1981](#), January 2025.

in Sri Lanka.¹¹¹ This gap means that a candidate could potentially resume participation in the next election despite having been convicted of an illegal practice, thereby diluting the punitive impact intended by the law. A similar issue exists in the parliamentary context, where the relatively brief three-year ban fails to provide a meaningful deterrent given the electoral timing and the possibility of reinstatement within the same political cycle. In essence, while the legal provisions impose sanctions for campaign finance violations, the prescribed penalties, particularly the disqualification periods, are insufficiently stringent to curb the abuse of public resources and maintain a level playing field in elections – undermining the point of campaign finance regulation.

The creation of a Kleptocratic State

Campaign financing or election expenditure is a subset of political financing focused specifically on the funding of election campaigns. It includes all the financial resources expended by candidates, political parties, or third-party entities during an election cycle to influence the outcome of an election. This should cover a wide range of activities, such as advertising, rallies, voter outreach, travel expenses, and campaign staff salaries. The distinction between campaign financing and political financing lies in the time-based and functional scope of frameworks. Campaign financing is time-bound, concentrating on the period leading up to an election. As a result, the regulatory framework for campaign financing must be stricter, with detailed reporting requirements and spending limits imposed to ensure a fair electoral process. A shift from campaign financing to focusing on political financing would be more effective. However, the challenges in implementing political financing, such as the need for continuous operation, significant financial resources, and extensive mechanisms, make it difficult to achieve.

The inadequacy of Sri Lanka's campaign financing law, coupled with the absence of a broader political financing framework, exacerbates inequality in political competition and is a major corruption risk. In a system where financial contributions are not adequately regulated, wealthier parties and candidates have a distinct advantage and the needs of the few will always outweigh the needs of the many. This dynamic is evident in the persistently high levels of campaign spending in Sri Lanka¹¹² and the overt dominance of traditional political elites, whose financial resources allow them to control media narratives and mobilize state resources for electoral gain¹¹³. Political financing would also bring in a disclosure requirement

¹¹¹ Key Informant Interview – Sankhitha Gunaratne, Head- Governance and Anti-Corruption, Verite Research, Colombo, May 2024 .

¹¹² Transparency International Sri Lanka, 2017, A Brief on Election Campaign Finance in Sri Lanka, "<https://www.tisrilanka.org/wp-content/uploads/2019/05/CampaignFinance.pdf>, accessed on 18 February 2024.

¹¹³ Advocata, 14 October 2019, Where is the money behind our politicians from?, <https://www.advocata.org/commentary-archives/2019/10/14/where-is-the-money-behind-our-politicians-from>, accessed on 14 October 2024.

for third parties that is currently lacking, as there is no onus on private sector entities to disclose donations and contributions made to political parties and individuals. Further, the lack of an upper limit for such donations and contributions perpetuates corruption risks, an anti-competitive political culture, and increases the risks of state capture. Such risks are compounded by a political culture that has long rewarded patronage over policy innovation, thereby marginalizing grassroots alternatives and reinforcing power among the few wealthy backers. Existing practices contribute to a self-perpetuating cycle of elite control—a hallmark of emerging kleptocracies in the Sri Lanka.¹¹⁴

Real-time monitoring and tracking of campaign finances

Moreover, the absence of a clear mandate for the Election Commission to conduct real-time monitoring and tracking of campaign finances is another critical weakness. Campaigns often involve large sums of money being raised and spent in a short period, and without real-time tracking, there is a significant risk that illicit funds could be used to influence election outcomes before any wrongdoing is detected. The existing post-election submission of financial returns¹¹⁵ does not address this gap, as any potential violations may only come to light after the election has concluded, rendering remedial actions less impactful.

Furthermore, the entrenched nature of these financing imbalances is not only skewing electoral competition but also facilitating the development of a political class increasingly disconnected from the broader electorate.¹¹⁶ Institutional weaknesses, such as lax enforcement of campaign finance laws combined with the misuse of public resources,¹¹⁷ enable corrupt practices that allow political power to be concentrated among a small circle of financially dominant actors.¹¹⁸ This has led to a political elite that prioritizes the interests of its wealthy contributors over those of ordinary citizens, paving the way for kleptocratic governance. The deep structural issues underlying Sri Lanka's economic crisis are closely intertwined with its political financing regime, which continues to leave alternative voices

¹¹⁴ Groundviews, 30 December 2024, Steering Sri Lanka Away from Kakistocracy, <https://groundviews.org/2024/12/30/steering-sri-lanka-away-from-kakistocracy/>, accessed on 18 January 2025.

¹¹⁵ See [The Regulation of Election Expenditure Act No. 3 of 2023](#), July 2024.

¹¹⁶ The Guardian, 07 July, 2022, 'The family took over': how a feuding ruling dynasty drove Sri Lanka to ruin, <https://www.theguardian.com/world/2022/jul/07/the-family-took-over-how-a-feuding-ruling-dynasty-drove-sri-lanka-to-ruin>, accessed on 13 October 2024.

¹¹⁷ The Sunday Times, 08 September 2024, TISL urges action against public resource misuse in presidential election, <https://www.sundaytimes.lk/240908/news/tisl-urges-action-against-public-resource-misuse-in-presidential-election-570597.html>, accessed on 13 October 2024.

¹¹⁸ Daily Financial Times, 20 January 2021, Sugar tax reduction profited businessmen linked to Govt. while losses to state around Rs. 10 b :Eran, <https://www.ft.lk/front-page/Sugar-tax-reduction-profited-businessmen-linked-to-Govt--while-losses-to-state-around-Rs--10-b--Eran/44-711867> ; and International Consortium of Investigative Journalists, 01 November 2021, Clamor for crackdown on hidden wealth jolts Sri Lanka elite following Pandora Papers revelations, <https://www.icij.org/investigations/pandora-papers/clamor-for-crackdown-on-hidden-wealth-jolts-sri-lanka-elite-following-pandora-papers-revelations/>, both accessed on 13 October 2024.

voiceless and sustains a cycle of corruption and mismanagement.¹¹⁹ In the wake of recent electoral transitions, despite hopes for reform, concerns remain that the legacy of unchecked financial influence will persist, impeding the development of a truly representative and accountable political systems.¹²⁰

Regardless of laws and possible amendments in the future, the effectiveness ultimately hinges on the independence, strength, and capacity of the Election Commission tasked with their implementation. Without political will and commitment to empower the Election Commission, even the most stringent regulations can be rendered ineffective, as enforcement becomes selective, inconsistent, or even non-existent. Independent funding is particularly critical, as reliance on government-controlled budgets can subject the Commission to pressure or influence, potentially compromising its impartiality.

The Election Commission faced significant challenges in securing the necessary funds to hold Provincial and Local Government Elections in 2023.¹²¹ The Commission was compelled to indefinitely postpone the Local Government Elections scheduled to take place in March 2023 due to the government's claim that it was unable to release the required funds, estimated to be around \$27 million.¹²² This decision has been met with considerable criticism, as the delay and claim of absence of sufficient funds are perceived to be politically motivated kleptocratic tactics, particularly because the government anticipated a potential defeat in the elections due to the economic crisis.¹²³ The Election Commission, in its submissions to the Supreme Court, stated that it was unable to proceed with the elections as planned due to the lack of financial resources. This situation has raised concerns about the integrity of the electoral process and the government's commitment to democratic principles.

Following this, on 22 August 2024 the Supreme Court of Sri Lanka took significant stance by ordering the National Election Commission to immediately take measures to hold the

¹¹⁹ The Diplomat, 15 July 2022, The Deep Roots of Sri Lanka's Economic Crisis, <https://thediplomat.com/2022/07/the-deep-roots-of-sri-lankas-economic-crisis/>, accessed on 14 October 2024.

¹²⁰ Le Monde, 21 September 2024, Sri Lankan presidential election: Hope abounds for a new chapter after the 2022 revolution, https://www.lemonde.fr/en/international/article/2024/09/21/sri-lankan-presidential-election-hope-abounds-for-a-new-chapter-after-the-2022-revolution_6726819_4.html, accessed on 14 October 2025.

¹²¹ The Morning, 13 October 2024, Campaign finance laws: Challenges, opportunities during implementation, <https://www.themorning.lk/articles/zuHWiHczwmTKx2pbu7mJ>, accessed on 15 January 2025.

¹²² The Diplomat, 21 February 2023, Sri Lanka Government Develops Cold Feet, Calls Off Local Elections, <https://thediplomat.com/2023/02/sri-lanka-government-develops-cold-feet-calls-off-local-elections/>, accessed on 15 January 2025.

¹²³ The Hindu, 12 March 2023, Sri Lanka's election commission urges President Wickremesinghe to release funds for local body polls, <https://www.thehindu.com/news/international/sri-lankas-election-commission-urges-president-wickremesinghe-to-release-funds-for-local-body-polls/article66611188.ece>, accessed on 15 October 2024.

previously postponed Local Government Elections.¹²⁴ The Court ruled that the postponement of the 2023 Local Government Elections violated the fundamental rights of voters, emphasizing the importance of timely and fair elections in upholding democratic principles. In its verdict, the Supreme Court found that the President, in his capacity as the Minister of Finance, along with the members of the Election Commission, violated fundamental rights of the people.¹²⁵ This further demonstrates the need for a political financing law and a strong campaign finance law to maintain the integrity of the electoral processes ensuring they are conducted fairly and without undue influence from any political entities, especially in a situation of potential state capture.

Presidential Election 2024

The establishment of the Election Expenditure Act signals a commitment to transparency and accountability. The Act empowers the Election Commission to set clear financial parameters,¹²⁶ for example, capping the 2024 presidential election expenditure per voter at 109 rupees (equivalent to about 0,36 USD), while the total budget per candidate cannot exceed 1,868,298,586 rupees¹²⁷ (equivalent to approximately 6,254,776.42 USD) and imposing a total budget limit per candidate based on the electorate size – the Election Commission will calculate the spending limit by multiplying the total number of registered voters in the electoral districts by the amount fixed for the election.¹²⁸ The execution of these legal provisions has been marred by compliance issues and an uneven application across different electoral contexts.¹²⁹ Furthermore, it does not specify spending caps for key expenditure categories, leading to potential imbalances in political influence.¹³⁰ Additionally, despite directives by the Election Commission¹³¹ disparities in media coverage, such as

¹²⁴ Ada Derana, 22 August 2024, 2023 LG Election postponement violated fundamental rights; SC orders immediate polls, <https://www.adaderana.lk/news.php?nid=101417>, accessed on 15 October 2024.

¹²⁵ Ibid.

¹²⁶ The Gazette of the Democratic Socialist Republic of Sri Lanka, Extraordinary, 2397/66, 16 August 2024, https://elections.gov.lk/web/wp-content/uploads/publication/ext-gz/2397_66_E.pdf, accessed on 15 October 2024.

¹²⁷ Ceylon Today, 20 August 2024 EC sets expenditure cap at Rs 109 per voter, <https://ceylontoday.lk/2024/08/20/ec-sets-expenditure-cap-at-rs-109-per-voter/>, accessed on 15 October 2024.

¹²⁸ International Foundation for Electoral Systems (IFES), 16 September 2024, Elections in Sri Lanka 2024: Presidential Elections, <https://www.ifes.org/tools-resources/election-snapshots/elections-sri-lanka-2024-presidential-elections>, accessed on 15 January 2025.

¹²⁹ The Sunday Times, 27 October 2024 Many candidates failed to meet requirements under the new Election Expenditure Act, <https://www.sundaytimes.lk/241027/news/many-candidates-failed-to-meet-requirements-under-the-new-election-expenditure-act-575307.html>, accessed on 15 January 2025.

¹³⁰ CMEV, CMEV, 23 September 2024, Quantitative Overview of Election Violations: Presidential abuse of state power remains high, <https://cmev.org/2024/09/23/quantitative-overview-of-election-violations-presidential-abuse-of-state-power-remains-high-cmev/>, accessed on 14 October 2024.

¹³¹ The Gazette of the Democratic Socialist Republic of Sri Lanka, Extraordinary 2394/58, https://elections.gov.lk/web/wp-content/uploads/publication/ext-gz/2394_58_E.pdf, accessed in August 2024.

unequal airtime in news broadcasts and other prime-time programs¹³² provide certain candidates with unpaid publicity, giving them an advantage over their competitors – during the 2024 presidential elections state media TV channel ITN Sri Lanka was seen to provide a disproportionate increase in airtime to the incumbent President at time, with private TV channels favouring certain candidates.¹³³

A closer examination of the 2024 presidential election processes exposes a host of compliance and enforcement challenges. Among the 35 presidential candidates, only 12 fully complied with both the submission of supporting expenditure documents and donor information, indicating systemic difficulties in meeting the Act's requirements.¹³⁴ Prominent candidates have presented starkly different levels of transparency – from former President Wickremesinghe's minimal documentation to Anura Kumara Dissanayake's extensive 1,600-page report – highlighting a concerning inconsistency.¹³⁵ This disparity is compounded by the Election Commission's limited enforcement powers.¹³⁶ Such reliance on external oversight, in an environment already strained by resource constraints, undermines the Act's potential to act as a deterrent against malpractices and ultimately questions the credibility of the regulatory regime.

Despite clear directives from the Election Commission¹³⁷ and regulations outlined in the Election Expenditure Act¹³⁸ and Parliamentary Elections Act,¹³⁹ numerous violations continue to undermine electoral integrity. Transparency International Sri Lanka (TISL) received 758 complaints detailing the misuse of public resources for election campaigning, with 343 complaints alone pertaining to the unauthorized use of public premises – such as government offices, schools, and public grounds – where facilities were used without proper fees, reserved for specific candidates, or adorned with campaign materials in violation of the law.¹⁴⁰

¹³² Instagram, Ethics Eye, 05 September 2024, Presidential Election 2024: TV News Coverage of Candidates 15 August – 21 August 2024, https://www.instagram.com/media.veriteresearch/p/DAFQ47xBMEn/?img_index=2, accessed on 14 October 2024.

¹³³ [Ibid.](#)

¹³⁴ See CMEV, CMEV, 23 September 2024, [Quantitative Overview of Election Violations: Presidential abuse of state power remains high.](#)

¹³⁵ The Morning, 13 October 2024, accessed on 28 January 2025.

¹³⁶ The Sunday Times, 27 October 2024, Many candidates failed to meet requirements under the new Election Expenditure Act, <https://www.sundaytimes.lk/241027/news/many-candidates-failed-to-meet-requirements-under-the-new-election-expenditure-act-575307.html>, accessed on 28 January 2025.

¹³⁷ The Gazette of the Democratic Socialist Republic of Sri Lanka, Extraordinary, 2394/56, 26 July 2024, https://elections.gov.lk/web/wp-content/uploads/publication/ext-gz/2394_56_E.pdf.

¹³⁸ See [The Regulation of Election Expenditure Act No. 3 of 2023.](#)

¹³⁹ See [The Parliamentary Elections Act No. 15 of 1981.](#)

¹⁴⁰ Transparency International Sri Lanka, 26 August 2024, Government's pre-poll announcements of subsidies and pay hikes, <https://www.tisrilanka.org/tisl-flags-election-law-violations-over-governments-pre-poll-announcements-of-subsidies-and-pay-hikes/>, accessed on 23 September 2024.

Additionally, 117 complaints have highlighted the exploitation of public officers' time and expertise for political propaganda, both on the ground and on social media.¹⁴¹ Further allegations include the distribution of food, money, and subsidies, misuse of state vehicles, and manipulation of state-sponsored development projects – all of which contravene election laws by effectively promoting certain candidates over others.¹⁴² The situation is exacerbated by recent government announcements, such as the approval of a 24–35% salary increase for public servants and various subsidies for fisher-folk, pensioners, and tea growers, which clearly violate provisions that prohibit the use of public resources to influence electoral outcomes.¹⁴³ These actions by the current government under the incumbent President who is also a candidate represent a deliberate abuse of executive power designed to tilt the playing field in favour of one candidate. Despite the Election Commission intervening in this latter, among other numerous occasions to prevent such blatant abuse, but it appears to have succeeded only in a limited number of instances.¹⁴⁴

Furthermore, the scale of unofficial online campaigning and propaganda spending far exceeds what is accounted for in official reports. The incumbent President at the time flooded tens of millions of citizens with unsolicited SMS messages, financed through an undisclosed sum and facilitated by Sri Lankan telecom providers. This tactic is reminiscent of former President Mahinda Rajapaksa's strategy nearly 15 years ago,¹⁴⁵ raising concerns about continuing institutional capture. Even if these costs are eventually declared, they likely reflect a broader pattern of regulatory decay.

The challenges extend further into the realms of monitoring and public accountability. The absence of a mandate for candidates to consolidate their campaign finances into a single bank account creates multiple channels for fund movement, making financial oversight inherently more complex.¹⁴⁶ Furthermore, persistent issues such as donor anonymity, misclassification of spending categories, and unverifiable discrepancies in expenditure reports not only breach the transparency requirements but also foster an environment where financial mismanagement can go unchecked.¹⁴⁷ This is particularly problematic given that some candidates had already expended campaign funds prior to the effective implementation of

¹⁴¹ [Ibid.](#)

¹⁴² [Ibid.](#)

¹⁴³ Transparency International Sri Lanka, 26 August 2024, Government's pre-poll announcements of subsidies and pay hikes, <https://www.tisrilanka.org/tisl-flags-election-law-violations-over-governments-pre-poll-announcements-of-subsidies-and-pay-hikes/>, accessed on 23 September 2024.

¹⁴⁴ The Morning, 01 October 2024, EC suspends fertilizer and fuel subsidies until election ends, <https://www.themorning.lk/articles/akTzwyzAiqumLW2q8riH>, 14 October 2024.

¹⁴⁵ Groundviews, 2010, Unsolicited SMS Messages Are Spam Please Desist Mr President, <https://groundviews.org/2010/01/01/unsolicited-sms-messages-are-spam-please-desist-mr-president/>, accessed on 06 February, 2025.

¹⁴⁶ The Morning, 05 February 2024, Campaign finance laws: Challenges, opportunities during implementation, , <https://www.themorning.lk/articles/zuHWiHczwmTKx2pbu7mJ>, accessed on 13 October 2024.

¹⁴⁷ See: CMEV, 23 September 2024, [Quantitative Overview of Election Violations: Presidential abuse of state power remains high.](#)

the measurement date, effectively placing them outside the purview of the intended transparency measures.¹⁴⁸ In this light, the Act's capacity to enforce transparency is critically undermined by both procedural loopholes and a lack of robust, centralized oversight.

Parliamentary Election 2024

Comparatively, the experience from the Parliamentary Elections in Colombo District offers both encouraging and cautionary lessons. While a significant majority of candidates (882 out of 966) successfully submitted their income and expense reports, the process was not without its drawbacks.¹⁴⁹ The administrative burden posed by an inflated number of nominees and the inflated costs associated with printing poll cards illustrate how logistical inefficiencies can escalate overall election expenses.¹⁵⁰ Moreover, these operational challenges may reflect broader capacity issues that hinder the effective application of the Act, suggesting that while the framework is in place, its practical enforcement is stymied by resource limitations and procedural weaknesses.¹⁵¹

In conclusion, while Sri Lanka's political financing reforms under the Election Expenditure Act are aligned with UNCAC Article 7.3's objectives to enhance transparency in political funding, the practical implementation reveals several critical shortcomings. The inconsistency in candidate compliance, the Election Commission's limited enforcement capabilities, and pervasive monitoring issues collectively undermine the transformative potential of these reforms. Addressing these challenges – particularly through bolstering enforcement mechanisms, streamlining financial processes, and providing adequate resources for independent monitoring – remains essential if the Act is to fulfil its intended role in promoting accountability and ensuring fair electoral competition over the long term.

Good practices

- Defined expenditure caps: Clear spending limits are established (such as the per-voter cap and overall budget limits for candidates) aiming to level the playing field and curb excessive campaign spending.
- Mandatory reporting deadlines: The framework requires all financial returns to be submitted within 21 days after election results are published, ensuring prompt disclosure and accountability.

¹⁴⁸ See: The Sunday Times, 27 October 2024, [Many candidates failed to meet requirements under the new Election Expenditure Act](#).

¹⁴⁹ The Sunday Times, 22 December 2024, Step on the law to ensure every candidate submits income and expenses report, says PAFFREL, <https://www.sundaytimes.lk/241222/news/step-on-the-law-to-ensure-every-candidate-submits-income-and-expenses-report-says-paffrel-581576.html>, accessed on 20 January 2025.

¹⁵⁰ IFES, 07 November 2024, accessed on 13 January 2025.

¹⁵¹ See: The Sunday Times, 22 December 2024, [Step on the law to ensure every candidate submits income and expenses report, says PAFFREL](#).

Deficiencies

- Inefficient tracking of foreign donations: the current mechanisms for handling and resolving foreign campaign donations are too slow, often taking years to resolve issues, despite the short electoral cycle.
- Unclear auditing and investigative procedures: the Act does not specify clear procedures or grant sufficient auditing powers to the Election Commission to verify and investigate discrepancies in financial returns.
- Insufficient penalties and enforcement tools: although the law imposes penalties for non-compliance, measures like a three-year disqualification period are misaligned with the electoral cycle, weakening the deterrence against violations.
- Lack of real-time monitoring: there is no mandate for real-time tracking of campaign finances, leaving the system vulnerable to rapid misuse of funds during the short election period, with violations often detected only after elections conclude.
- Operational and capacity constraints: the Election Commission faces significant operational challenges, including low candidate compliance (with only a fraction of presidential candidates fully submitting required documentation) and logistical burdens, which hamper effective enforcement of the law.
- The absence of a comprehensive political financing regulatory framework means campaign expenditure is monitored only during an election period, which limits the scope of oversight and regulation. Furthermore, this allows for unregulated and undisclosed donations and contributions to politicians and those in power by private sector entities.

4.1.3 Articles 10 and 13.1 – Access to Information and the Participation of Society

Right to Information Act No. 12 of 2016

Sri Lanka's legal framework for access to information is anchored in the Right to Information (RTI) Act No. 12 of 2016,¹⁵² which became operational in 2017. The right to access information is guaranteed as a fundamental right under the Sri Lankan Constitution, specifically Article 14A. The RTI Act aligns with international standards, such as Article 19 of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the United Nations Sustainable Development Goal 16 and Target 16.10, all of which emphasize access to information as a fundamental human right.

The RTI Act mandates all public authorities to maintain records and provide information upon request to promote transparency and accountability in governance. The Right to Information Commission (RTIC) oversees compliance with the Act and addresses complaints regarding access to information. However, public awareness of the RTI Act remains limited, and there

¹⁵² See [Right to Information Act No. 12 of 2016](#).

are challenges in regulating the use of exemptions to information disclosure and the public interest override under the Act.¹⁵³

The RTIC is an independent statutory body that plays a crucial role in enforcing the right to information in Sri Lanka. The Commission has the authority to investigate complaints regarding the denial of access to information and can prosecute offenses defined in the RTI Act. Additionally, the regulatory framework governing the media, including the Sri Lanka Rupavahini Corporation Act¹⁵⁴ and the Telecommunications Regulatory Commission of Sri Lanka¹⁵⁵, contains provisions to prevent the misuse of regulations for political purposes and to ensure responsible reporting on corruption.¹⁵⁶

While the RTI Act is, enforcement remains weak due mainly to.¹⁵⁷ Further, practical implementation of the RTI Act is hampered by public authorities' reluctance to provide information, often not adhering to the law's intended spirit.¹⁵⁸ Therefore, the real challenge lies in the execution of the legislative framework, which requires a supportive and enabling environment, particularly in terms of resources and political will.

Furthermore, there are structural and institutional constraints within the RTI framework as well. While the RTIC's mandate is broad enough to oversee the RTI Act's implementation, the lack of institutional capacity – stemming from financial and human resource constraints due to a lack of support for the RTIC from the relevant governing bodies – limits its effectiveness.¹⁵⁹ Additionally, the centralized nature of the RTIC and the absence of regional offices act as barriers to widespread and effective RTI implementation. Although there is recognition of the need for regional offices, there is also fear that opening the RTI Act to amendments could lead to political manipulation and weaken the law. These institutional weaknesses also result in significant delays in processing appeals and requests, thus frustrating citizens in the process of accessing information.¹⁶⁰

Legislative framework

¹⁵³ Key Informant Interview – Kishali Pinto-Jayawardena, Senior Attorney and RTI Commissioner, RTI Commission of Sri Lanka, Colombo, 11 July 2024.

¹⁵⁴ <https://www.parliament.lk/uploads/acts/gbills/english/3011.pdf>, accessed in May 2024.

¹⁵⁵ Telecommunications Regulatory Commission of Sri Lanka, <https://mot.gov.lk/docs/institutions/TRCSL>, accessed on 18 July 2024.

¹⁵⁶ Right to Information Commission, May 2024, https://www.rticommission.lk/web/index.php?Itemid=109&id=6&lang=en&option=com_content&view=article, accessed on 18 July 2024.

¹⁵⁷ Key Informant Interview – Kishali Pinto-Jayawardena, Senior Attorney and RTI Commissioner, RTI Commission of Sri Lanka, Colombo, 11 July 2024.

¹⁵⁸ Key Informant Interview – Kishali Pinto-Jayawardena, Senior Attorney and RTI Commissioner, RTI Commission of Sri Lanka, Colombo, 11 July 2024.

¹⁵⁹ Key Informant Interview – Kishali Pinto-Jayawardena, Senior Attorney and RTI Commissioner, RTI Commission of Sri Lanka, Colombo, 11 July 2024.

¹⁶⁰ Key Informant Interview – Representative from the Ministry of Mass Media, Colombo, 2024.

Section 14 of the RTI Act outlines the duties and functions of the RTIC in Sri Lanka. These duties are crucial for ensuring that the principles of transparency, accountability, and public access to information are upheld across all public authorities. The section delineates a broad and comprehensive framework within which the Commission operates, emphasizing its role in monitoring, guiding, and facilitating the effective implementation of the Act. One of the primary responsibilities of the Commission is to monitor the performance of public authorities and ensure their compliance with the duties imposed by the RTI Act. This function underscores the Commission's role as a watchdog, tasked with overseeing the adherence of public authorities to the transparency mandates.

Under Section 14(b),¹⁶¹ the Commission is empowered to make recommendations for reforms, both of a general nature and specifically tailored to individual public authorities. This function is critical in continuously improving the transparency and efficiency of public authorities. The Commission's recommendations may address structural or procedural changes needed to enhance the accessibility of information, reduce bureaucratic obstacles, or improve the overall governance framework.

Sections 14(c), (d), and (e)¹⁶² grant the Commission the authority to issue guidelines on various aspects of the RTI process, particularly concerning the fees associated with accessing information. In Section 14(c), the Commission is tasked with issuing guidelines based on reasonableness for determining fees levied by public authorities for releasing information. This ensures that fees do not become prohibitive or a barrier to accessing information. Additionally, Section 14(d) allows the Commission to prescribe circumstances where information can be provided without any fee, thus facilitating greater access for all individuals, particularly those who may be economically disadvantaged.

Section 14(f)¹⁶³ highlights the Commission's role in training public officials to effectively implement the RTI Act. This includes organizing or cooperating in training activities that enhance the capabilities of Information Officers (IOs) and other relevant public officials. By providing these educational resources, the Commission ensures that officials are well-equipped to handle requests for information efficiently and in accordance with the law.

The duties outlined in Section 14(g)¹⁶⁴ emphasize the importance of publicizing the requirements of the RTI Act and the rights of individuals under it. The Commission is responsible for ensuring that the general public is aware of their rights to access information and understands the procedures to exercise these rights. This public awareness function is

¹⁶¹ See: [Right to Information Act No. 12 of 2016](#).

¹⁶² See: [Right to Information Act No. 12 of 2016](#).

¹⁶³ See: [Right to Information Act No. 12 of 2016](#).

¹⁶⁴ See: [Right to Information Act No. 12 of 2016](#).

crucial for empowering citizens and promoting a culture of transparency where individuals are encouraged to hold public authorities accountable.

Finally, Section 14(h)¹⁶⁵ assigns the Commission the task of issuing guidelines for proper record management within public authorities. Proper record management is fundamental to the effective implementation of the RTI Act, as it ensures that information is accurately maintained, easily accessible, and promptly provided when requested. The Commission's guidelines are aimed at standardizing practices across public authorities, reducing the risk of information being lost, mishandled, or unduly withheld due to poor record-keeping practices.

Section 15 of the RTI Act¹⁶⁶ outlines the powers vested in the RTIC to ensure that it can effectively perform its duties and discharge its functions under the Act. These powers are essential for the Commission to enforce compliance with the Act's provisions, address grievances, and uphold the principles of transparency and accountability in the public sector.

Under Section 15(a),¹⁶⁷ the Commission is granted the authority to hold inquiries and require any person to appear before it. This power is fundamental to the Commission's ability to investigate potential violations of the RTI Act or to clarify issues related to the denial of information by public authorities. The ability to summon individuals allows the Commission to gather necessary evidence and testimonies, thereby ensuring a thorough and fair inquiry process. This power reinforces the Commission's role as a quasi-judicial body that can actively intervene when the rights of individuals to access information are potentially infringed upon.

Section 15(b)¹⁶⁸ expands on the Commission's investigative powers by allowing it to examine any person under oath or affirmation and require the production of any relevant information. This includes the ability to demand that individuals or public officials provide documents or data that are necessary for resolving disputes or clarifying issues related to the implementation of the RTI Act. The provision that exempted information under Section 5 must be examined in confidence ensures that sensitive information is handled appropriately, balancing the need for transparency with the protection of legitimate state interests, such as national security or personal privacy. The power to inspect any information held by a public authority, as provided in Section 15(c), is a crucial tool for the Commission. This power includes inspecting information that a public authority has denied access to under the provisions of the Act. By exercising this power, the Commission can verify whether the denial of information was justified and in accordance with the legal exemptions outlined in the Act.

Effectiveness of the Right to Information Commission

¹⁶⁵ See: [Right to Information Act No. 12 of 2016](#).

¹⁶⁶ See: [Right to Information Act No. 12 of 2016](#).

¹⁶⁷ See: [Right to Information Act No. 12 of 2016](#).

¹⁶⁸ See: [Right to Information Act No. 12 of 2016](#).

The RTIC is effectively fulfilling its role in handling hearings and appeals, ensuring that reactive disclosure processes function well. Notably, recent developments indicate that Sri Lanka's Right to Information Commission continues to effectively manage hearings and appeals. In February 2024, the Court of Appeal upheld an RTIC directive mandating a state bank to disclose examination mark sheets for staff assistant positions. This decision underscored the RTIC's role in ensuring public access to information and maintaining fairness in recruitment processes.¹⁶⁹ In May 2023, the RTIC ordered the Information and Communication Technology Agency (ICTA) to release details regarding the remuneration of its staff and consultants for the years 2019 to 2021. This directive highlights the Commission's proactive stance in promoting financial transparency within public institutions.¹⁷⁰ Furthermore, in March 2023, the RTIC's decision to disclose the asset declarations of Members of Parliament was affirmed by the Court of Appeal. This landmark judgment emphasized the Commission's dedication to combating corruption and enhancing public trust in governmental operations.¹⁷¹ Recent developments further underscore the Right to Information Commission's (RTIC) commitment to upholding transparency and accountability in Sri Lanka. In August 2023, the RTIC ruled that the Bar Association of Sri Lanka (BASL) qualifies as a public authority under the Right to Information Act. This decision obligates the BASL to respond to RTI requests, emphasizing that organizations performing public functions are subject to public scrutiny.¹⁷²

However, the RTIC falls short in exercising its full mandate, particularly in enforcing the RTI Act's provisions concerning implementation and proactive disclosure by public authorities. Sections 14 and 15 of the RTI Act clearly empower the Commission to improve the overall implementation of the Act, including overseeing the right to information activities within the public sector. Yet, the Commission has not fully utilized these powers to ensure that public authorities actively comply with proactive disclosure requirements. This oversight is particularly evident in three critical areas: the management of records, the digitization of public accounts and information, and proactive disclosure itself. The Commission has not adequately monitored or provided necessary guidance on these issues, leading to significant gaps in the implementation of the RTI Act.

¹⁶⁹ Mawrata News, February 2024, Court of Appeal Upholds Right to Information Commission Directive on Release of Examination Marks, https://mawratanews.lk/news/court-of-appeal-upholds-right-to-information-commission-directive-on-release-of-examination-marks/?utm_source=chatgpt.com, accessed on 12 October 2024

¹⁷⁰ Daily Financial Times, May 2023, RTI Commission orders ICTA to release remuneration info of staff and consultants, https://www.ft.lk/front-page/RTI-Commission-orders-ICTA-to-release-remuneration-info-of-staff-and-consultants/44-748089?utm_source=chatgpt.com, accessed on 13 October 2024.

¹⁷¹ Daily Financial Times, March 2023, TISL welcomes landmark judgment on citizens' Right to Information, https://www.ft.lk/Front-Page/TISL-welcomes-landmark-judgment-on-citizens-Right-to-Information/44-745975?utm_source=chatgpt.com, accessed on 13 October 2024.

¹⁷² Sri Lanka Brief, September 2023, Sri Lanka: BASL lost a major case: "It comes under the category of NGO & legally obliged to respond to RTI requests" – Commission, https://srilankabrief.org/sri-lanka-basl-lost-a-major-case-it-comes-under-the-category-of-ngo-legally-obliged-to-respond-to-rti-requests-commission/?utm_source=chatgpt.com, accessed on 13 October 2024.

There are significant shortcomings in the implementation of the proactive disclosure provisions of Sri Lanka's Right to Information (RTI) Act, with over 70% of public authorities having made less than 40% of the mandated information available online.¹⁷³ Even the highest-performing ministries, Agriculture and Public Administration, had disclosed only just over half of the required information.¹⁷⁴ In contrast, key government institutions, including the Offices of the President and Prime Minister, had published less than 20% of the required information, with the Ministry of Technology ranking the lowest in compliance.¹⁷⁵

Furthermore, there exists a stark language bias in information disclosure. While the President's Office and Ministry of Wildlife were the only institutions consistently providing information in Sinhala, Tamil, and English, nearly half of all disclosed information was in English, compared to 37% in Sinhala and just 29% in Tamil.¹⁷⁶ This disparity limits accessibility, particularly for Tamil-speaking communities. The RTI Act mandates government institutions to publish reports, update the public on projects, and provide timely information on budgets, services, and operations. However, the assessment of 29 ministries, along with the Offices of the President and Prime Minister, found widespread non-compliance.¹⁷⁷ While Sri Lanka's Government Openness Index has improved from 25% in 2017 to 33% in 2022¹⁷⁸, it remains low, indicating that proactive disclosure has yet to be effectively enforced, Sri Lanka ranks relatively low in "Open Government," placing 63rd out of 142 countries assessed, indicating a moderate level of openness in its government practices; this score is considered the second lowest within its regional grouping.¹⁷⁹ The Commission's failure to address these proactive aspects undermines the overall effectiveness of the RTI framework, limiting transparency and accountability in the public sector.¹⁸⁰ It is essential to adopt a holistic view of RTI implementation, recognizing that responsibility is shared between the Ministry of Media, as the nodal agency, and the RTI Commission. Responsibilities of RTI implementation, including policy coordination, awareness-raising, and capacity-building, is impractical for the RTIC to carry out without the support of the nodal agency.¹⁸¹

¹⁷³ Verite Research, 2023, Proactive Disclosure under the RTI Act in Sri Lanka: Ranking Public Authorities, https://www.veriteresearch.org/wp-content/uploads/2023/09/20230904_ProactiveDisclosureReport_F_AM-1.pdf, accessed on 14 January 2025.

¹⁷⁴ Ibid.

¹⁷⁵ Ibid.

¹⁷⁶ Ibid.

¹⁷⁷ Ibid.

¹⁷⁸ World Justice Project's Rule of Law Index – Sri Lanka, 2024, <https://worldjusticeproject.org/rule-of-law-index/country/Sri%20Lanka>, accessed on 21 January 2025.

¹⁷⁹ Ibid.

¹⁸⁰ Key Informant Interviewee – Piyatissa Ranasinghe, former Director General of the RTI Commission, 15 August 2024.

¹⁸¹ Key Informant Interviewee – Kishali Pinto-Jayawardena, Senior Attorney and RTI Commissioner, RTI Commission of Sri Lanka, Colombo, 11 July 2024.

The RTIC is functioning with "zero resources" due to the lack of financial and institutional support ¹⁸² which has drastically limited its capacity to monitor and enforce compliance among public authorities. This shortage is attributed to government-imposed financial constraints that prevent the Commission from expanding its cadre or employing experts necessary for effective operation. The situation is beyond dire, with resource limitations being a major barrier to realizing the full potential of the RTI Act. There is no adequate staffing and budgetary support, and even the best legislative framework would falter in practice.¹⁸³ There is a critical need for increased funding and human resources to support the RTI infrastructure.

It is noteworthy that the 2023 IMF Governance Diagnostic Assessment of Sri Lanka¹⁸⁴ offers an external perspective on Sri Lanka's access to information framework. While acknowledging notable progress, the report also raised concerns regarding recent legislative developments that risk undermining the RTI Act and called for policies and rules to be established in a way and in substance that do not hinder the effectiveness of access to information in Sri Lanka.¹⁸⁵

Through a letter dated January 2025 to the Presidential Secretariat, the RTIC outlined efforts already underway, including nationwide consultations with ministries and the development of regulatory guidelines to enhance compliance with Sections 8, 9, 10, and 26 of the RTI Act¹⁸⁶. However, the Commission also highlighted serious institutional constraints including an outdated recruitment framework, the inability to hire staff independently, and a lack of control over its budget, having been subsumed under the Ministry of Media's budget line since its first year of operation¹⁸⁷. Without addressing these gaps, the implementation of proactive disclosure obligations and enforcement powers, such as prosecuting non-compliant public authorities under Section 39(4)¹⁸⁸, will remain significantly weakened.

The implementation of the RTI Act faces significant challenges due to the conduct of public authorities, who often resist compliance. Public authorities in Sri Lanka, much like in other countries, tend to misuse exemptions and restrictions within the RTI Act to deny information, deviating from the law's original intent. This misuse is compounded by a lack of justification for refusals and delays in providing information, which are not adequately penalized,¹⁸⁹

¹⁸² Key Informant Interviewee – Kishali Pinto-Jayawardena, Senior Attorney and RTI Commissioner, RTI Commission of Sri Lanka, Colombo, 11 July 2024.

¹⁸³ Key Informant Interviewee – Piyatissa Ranasinghe, former Director General of the RTI Commission, 15 August 2024.

¹⁸⁴ IMF Governance Diagnostic Assessment of Sri Lanka, 2023.

¹⁸⁵ IMF Governance Diagnostic Assessment of Sri Lanka, 2023.

¹⁸⁶ Letter to the Presidential Secretariat from the Right to Information Commission, January 2025.

¹⁸⁷ Letter to the Presidential Secretariat from the Right to Information Commission, January 2025.

¹⁸⁸ Right to Information Act No. 12 of 2016.

¹⁸⁹ Based on firsthand experience of filing RTI requests at Transparency International Sri Lanka, while there have been a handful of rulings in our favour to obtain information, the process has been significantly delayed due to public authorities' refusals and postponements. In most cases, information is only provided after hearings conclude and the Commission issues an order, with delays often extending up to a year before the requested information is received.

despite regulatory efforts. The Commission itself struggles with internal delays due to limited resources, further exacerbating the problem of timely information dissemination.¹⁹⁰ The recurring theme here is a culture of non-compliance among public authorities, requiring stronger oversight and enforcement mechanisms to ensure adherence to the RTI Act. It was highlighted across the board that the culture of secrecy that exists in the public sector in Sri Lanka acts as a serious hinderance to any progress in relation to both proactive and reactive disclosure of information. This links back to the lack of awareness on the uses and importance of the Right to Information and the need for capacity building and training initiatives, which subsequently revert to the central recurring problem of under resourcing the RTI Commission and the Media Ministry due to the lack of political will.

Evidence of this is seen in TISL's experience filing RTI applications¹⁹¹ – for instance, Sri Lanka Cricket refused to provide information on its spending during the 2022 T20 World Cup, on the grounds that the institution does not fall within the definition of a 'public authority' under the RTI Act and therefore is not obligated to release information requested by TISL. The said refusal was made despite a prior decision of the Commission clearly stating that the institution in fact falls within the scope of a public authority as per the RTI Act. Similarly, the Central Bank of Sri Lanka took nearly a year to provide information on the use of the EPF superannuation fund for domestic debt restructuring, following multiple hearings with the RTI Commission, this was after initially providing incomplete information. Other institutions, such as the Legal Draftsman Department and the Ministry of Justice, continuously refuse to disclose draft laws, particularly of the Proceeds of Crime Law.¹⁹² disregard of mandatory timelines, and refusals exemplify the culture of secrecy and deliberate misuse of exemptions provided in the law by public authorities, which hinders progress toward transparency and the effective functioning of the RTI Act.

Public Authorities' compliance with the RTI Act

Despite the enactment of the RTI Act, public authorities and citizens are not fully aware of their rights and responsibilities under the law. Many public authorities fail to proactively disclose information, and there are instances where information requests are denied on vague grounds. Public authorities need to align their practices with the RTI Act and ensure that existing laws, regulations, and procedures are widely known and accessible to the

¹⁹⁰ Key Informant Interviewee – Representative from the Ministry of Mass Media, Colombo, 30 July 2024.

¹⁹¹ Based on firsthand experience of filing RTI requests at Transparency International Sri Lanka, while there have been a handful of rulings in our favour to obtain information, the process has been significantly delayed due to public authorities' refusals and postponements. In most cases, information is only provided after hearings conclude and the Commission issues an order, with delays often extending up to a year before the requested information is received.

¹⁹² Access to consult with the drafting committee was later obtained due to continued and persistent advocacy.

public.¹⁹³ Efforts are needed to disseminate information about the RTI Act and educate the public on how to use it. The RTI Commission has noted that during the first six months of the Act's implementation, information requests came from diverse parts of the country, indicating good awareness and impact among the public, but limited progress has been made since then.¹⁹⁴

There has also been a tendency for refusal to disclose information,¹⁹⁵ at the first instance by the IOs and later the DOs on the grounds of Section 5 and subsequently disclose the same information upon an order of the RTI Commission. This demonstrates a few dimensions of the issue. On the one hand, it reflects that most of the justifications used by the IOs and Designated Officers (DOs) to refuse to divulge information are not within the scope of Section 5 of the Act while on the other hand, it could also be indicating a lack of comprehension of the duties imposed by the RTI Act on the part of such officials. Most crucially, it is a point to scrutinise whether such reluctance of 'reactive disclosure' is due to the fear factor of potential disclosure of information linked with corrupt acts in the public sector. Further, the operation of many other laws that conflict with the provisions of the RTI Law is also a concern as the IOs and DOs may have barriers to disclosure of information under such laws. Therefore, the legal barriers that hinder and limit the operational scope of the RTI Act need the attention and action of policymakers.¹⁹⁶

In 2022, Verité Research examined the extent to which 29 cabinet ministries and the offices of the President and Prime Minister adhered to their obligations to proactively disclose information online across 30 different categories.¹⁹⁷ The public authorities were evaluated based on three key metrics: content disclosure, usability, and an overall composite score. These scores were then used to rank the public authorities within performance bands ranging from "unsatisfactory" to "highly satisfactory."

The results of the 2022 assessment indicate some progress compared to the 2017 baseline. In 2017, most public authorities fell within the "moderately unsatisfactory" band, with some even scoring in the "unsatisfactory" band. By 2022, there was an increase in the percentage of public authorities achieving "moderately satisfactory" scores, and no public authorities

¹⁹³ Centre for Policy Alternatives, 2022, Right to Information: Issues and Challenges of Policy and Implementation, <https://www.cpalanka.org/right-to-information-issues-and-challenges-of-policy-and-implementation/>, accessed on 20 May 2024.

¹⁹⁴ UNDP, 2017, Operationalizing the Right to Information Act in Sri Lanka: Comparative Experience and Good Practice, <https://www.undp.org/sites/g/files/zskgke326/files/migration/lk/25092017-RTI-good-practice-note-FINAL.pdf>, accessed on 20 May 2024.

¹⁹⁵ Transparency International Sri Lanka firsthand experience since the enactment of the RTI Act.

¹⁹⁶ See [Right to Information: Issues and Challenges of Policy and Implementation, Centre for Policy Alternatives, 2022.](#)

¹⁹⁷ Verite Research, 2023, Online Proactive Disclosure under the RTI Act in Sri Lanka: Ranking Public Authorities, <https://www.veriteresearch.org/publication/online-proactive-disclosure-under-the-rti-act-in-sri-lanka-2023/>, accessed on 20 May 2024.

were categorized as "unsatisfactory." The Ministry of Public Administration and the Ministry of Agriculture achieved the highest overall composite scores at 57% and 53%, respectively, while the Offices of the President and Prime Minister, along with the Ministry of Technology, were the lowest performers with scores of 18%, 17%, and 13%, respectively.¹⁹⁸

A deeper dive into content disclosure reveals that public authorities tend to perform better in categories such as budgets, expenditure, finances, institutional information, and public policy. However, much of this information is not directly available on the ministries' websites but instead on secondary sites like the Ministry of Finance or the government's document repository website. Despite this, the Ministry of Agriculture and the Ministry of Public Administration again emerged as the top performers in content disclosure, while the Offices of the President and Prime Minister, along with the Ministry of Technology, scored the lowest in 2022.¹⁹⁹

The report by Verité Research in 2023 also explored proactive disclosure through three thematic lenses: public accountability, public accessibility, and the right to information. The analysis on public accountability uncovered a significant gap in the disclosure of government decision-making processes, limiting the public's ability to scrutinize how policies are formulated. While public policies themselves are often disclosed, the processes behind them remain opaque. Furthermore, although tender notices are frequently published, the subsequent awards of tenders are not, with only 6% of public authorities fully disclosing this information.²⁰⁰

In terms of public accessibility, the assessment revealed that the Public Participation category was one of the lowest scorings, indicating that many public authorities are not providing sufficient information to enable meaningful public participation in decision-making. Similarly, the Public Services category also scored poorly, suggesting that citizens may face challenges in accessing necessary government services due to inadequate information disclosure.

Usability and accessibility of disclosed information also poses significant challenges. A majority of public authorities fell into the "moderately unsatisfactory" band in this area, with most information being disclosed in English. This creates substantial accessibility barriers for Sinhala and Tamil speakers, with the average language accessibility score being just 38% in 2022. The report identified a notable language bias, with the Ministry of Wildlife and the Office of the President being the most language-inclusive, while the Board of Investment exhibited the highest bias against Sinhala and Tamil, making it the least language-friendly public authority.

¹⁹⁸ [See Verite Research, 2023](#), Online Proactive Disclosure under the RTI Act in Sri Lanka.

¹⁹⁹ [See Verite Research, 2023](#), Online Proactive Disclosure under the RTI Act in Sri Lanka.

²⁰⁰ [See Verite Research, 2023](#), Online Proactive Disclosure under the RTI Act in Sri Lanka.

The overall government openness score, which combines content disclosure and usability, was a mere 33 out of 100 in 2022. This low score is attributed to the poor performance of many ministries, signalling a need for the Sri Lankan government to prioritize improvements in both the quality and quantity of disclosed content and its accessibility.²⁰¹

Ensuring that all public authorities are complying with the RTI Act, and that information is accessible in all three official languages—Sinhala, Tamil, and English, are crucial measures for fostering a culture of transparency and accountability in Sri Lanka’s public sector.²⁰²

Regarding public procurement, in 2023 the Finance Ministry mandated the implementation of an electronic procurement system to improve transparency.²⁰³ This system requires procurement notices for high-value contracts to be published on the e-GP portal. Despite initial slow adoption, the government has reinforced the need for compliance, especially in light of the IMF recommendations for digitalization to reduce corruption opportunities. Since 2018, there have been at least four circulars requiring the adoption of the e-GP system.²⁰⁴ A 2019 circular²⁰⁵ outlined procedures such as the registration of procurement entities, liaison officers, and vendors, as well as the publication of annual procurement plans and notices. Despite these mandates, implementation has not been successful. However, with conditionalities set out in Sri Lanka’s new program with the IMF, the process has been fast-tracked and the system is now operationalized and accessible through Promise.lk.²⁰⁶

Despite reforms, political interference and corruption continue to hinder administrative processes. The lack of transparency and accountability in government decisions remains a significant barrier to effective governance and are major obstacles to economic recovery and effective administration, according to the IMF.²⁰⁷ Sri Lanka faces challenges in fully implementing these measures, such as the need for comprehensive digital systems and the proactive disclosure of information. The continuous collaboration between government bodies, civil society, and international organizations is crucial for sustaining these reforms and ensuring compliance with UNCAC.

²⁰¹ Verite Research, 2022, [Online Proactive Disclosure under the RTI Act in Sri Lanka: Ranking Public Authorities](#).

²⁰² Ibid.

²⁰³ The Sunday Times, 23 April 2023, Major move to enhance transparency, accountability, <https://www.sundaytimes.lk/230423/news/major-move-to-enhance-transparency-accountability-517348.html>, accessed on 13 October 2024.

²⁰⁴ Ministry of Finance, 2019, Public Finance Circulars, <https://www.treasury.gov.lk/web/public-finance-department-circular/section/2019>, accessed on 20 May 2024.

²⁰⁵ Ministry of Finance, 2019, Guidelines Applicable to Ministries and Government Agencies to adopt a Uniform Mechanism to review the Total Cost Estimates (Prior Review) and Contract Variations (Post Review) of the Development Projects, <https://www.treasury.gov.lk/web/public-finance-department-circular/section/2019>, accessed on 20 May 2024.

²⁰⁶ Electronic Government Procurement (eGP) System, <https://promise.lk/>, accessed on 10 April 2024.

²⁰⁷ See [International Monetary Fund Governance Diagnostic Assessment of Sri Lanka, 30 September 2023](#).

A significant and concerning development in Sri Lanka over the past couple of years has been the introduction of new legislation containing provisions that threaten to undermine the RTI Act. These laws include clauses stating that in cases of inconsistency or conflict with existing laws, the provisions of the new law shall prevail, effectively superseding the enforceability of the RTI Act. This has raised alarms among advocates of transparency and accountability, as it creates a legal framework that could breach the right to information guaranteed under Article 14A of the Constitution and enshrined in the RTI Act No. 12 of 2016. Among the proposed and enacted laws that exhibit these concerning provisions are the Online Safety Act (OSA),²⁰⁸ the Microfinance Bill²⁰⁹, and the Proceeds of Crime Framework.²¹⁰ These laws have sparked widespread debate and criticism for establishing information-concealing regimes that could potentially violate constitutional rights. The introduction of these laws represents a broader trend towards restricting access to information, which is vital for democratic governance and accountability, particularly in a country in crisis due to issues of corruption and governance failures. The onus has been on private parties such as Civil Society Organisations and activists to intervene and challenge these Bills in the Supreme Court to ensure that the Constitutional right to information is not violated. Organizations like TISL have been actively involved in such litigation, successfully defending the public's right to information on numerous occasions.²¹¹

The Civil Society Governance Diagnostic Report on Sri Lanka led by TISL²¹² highlights proactive disclosure as a significant area of concern and a key corruption risk. The report recommends that authorities ensure strict compliance with the proactive disclosure requirements set forth in Section 9 of the RTI Act. Ensuring adherence to these requirements is crucial for enhancing transparency and reducing corruption risks associated with public projects.

Record Keeping by Public Authorities

Section 7 of the RTI Act²¹³ is a critical provision that mandates the proper maintenance, cataloguing, indexing, and preservation of records by public authorities in Sri Lanka. This section underscores the foundational role of record management in ensuring the effective implementation of the RTI Act, facilitating citizens' access to information, and upholding the principles of transparency and accountability in public administration.

²⁰⁸ Online Safety Act No. 09 of 2024, <https://www.parliament.lk/uploads/acts/gbills/english/6311.pdf>, accessed on 15 April 2024.

²⁰⁹ TIS, Microfinance Bill, January 2024, <https://www.tisrilanka.org/microfinance-and-credit-regulatory-authority-bill-tisl-files-petition-in-the-supreme-court/>, accessed on 15 April 2024.

²¹⁰ Ministry of Justice, 10 April 2024, Report of the Committee to Develop the Policy and Legal Framework and Draft Provisions of the Proposed Law on Proceeds of Crime, <https://www.moj.gov.lk/images/2024/Legal/Propossed-law-on-Proceeds-of-crime.pdf>, accessed on 20 May 2024.

²¹¹ TISL, January 2024, Microfinance and Credit Regulatory Authority Bill: TISL Files Petition in the Supreme Court, <https://www.tisrilanka.org/microfinance-and-credit-regulatory-authority-bill-tisl-files-petition-in-the-supreme-court/>, accessed on 20 May 2024.

²¹² See [TISL, Civil Society Governance Diagnostic Report on Sri Lanka, 2023](#).

²¹³ See [Section 7 Right to Information Act No. 12 of 2016](#).

Section 7(1)²¹⁴ establishes the fundamental duty of every public authority to maintain all its records in a manner that is consistent with its operational requirements and conducive to facilitating the right of access to information. This provision is crucial because the accessibility of information largely depends on the quality of record management. Proper cataloguing and indexing of records ensure that information can be easily retrieved and provided to the public upon request. This requirement compels public authorities to implement systematic and organized record-keeping practices, which are essential for the smooth functioning of the RTI process.

Section 7(2)²¹⁵ further reinforces the obligation of public authorities by requiring them to comply with any direction given by the RTI Commission under Section 14(h). This subsection links the general duty of record maintenance with the specific guidelines issued by the Commission, ensuring that record-keeping practices are not only consistent but also standardized across various public authorities. The Commission's guidelines are designed to promote best practices in record management, ensuring that all public authorities adhere to a common framework that supports transparency and accessibility. Compliance with these guidelines is vital for creating a uniform system that facilitates the public's right to access information, thereby enhancing the overall effectiveness of the RTI Act.

Section 7(3)²¹⁶ addresses the preservation of records, specifying the minimum periods for which records must be maintained. This provision is divided into two parts: section 7(3)(a) pertains to records that were already in existence on the date when the RTI Act came into operation. It mandates that these records be preserved for a period of not less than ten years from the date the Act came into effect. This ensures that a substantial amount of historical data remains accessible to the public, allowing for inquiries and investigations into past government actions and decisions. Section 7(3)(b)²¹⁷ applies to new records created after the Act came into operation, requiring their preservation for a period of not less than twelve years from the date of creation. This extended preservation period for new records reflects the Act's forward-looking approach, ensuring that information generated in the post-RTI era is preserved for a sufficiently long period to serve the needs of future transparency and accountability.

The preservation of records as mandated by Section 7(3)²¹⁸ is essential for maintaining a comprehensive historical record of government activities. It provides a safeguard against the loss of information over time and ensures that public authorities cannot simply discard or destroy records that might be of interest to the public or necessary for accountability.

²¹⁴ See [Section 7\(1\) Right to Information Act No. 12 of 2016](#).

²¹⁵ See [Section 7\(2\) Right to Information Act No. 12 of 2016](#).

²¹⁶ See [Section 7\(3\) Right to Information Act No. 12 of 2016](#).

²¹⁷ See [Section 7\(3\)\(b\) Right to Information Act No. 12 of 2016](#).

²¹⁸ See [Section 7\(3\) Right to Information Act No. 12 of 2016](#).

purposes. Despite this progressive move as far as the fundamental right of access to information is concerned, there are challenges when accessing mainly the information linked with matters and decisions of serious public concern or interest.

Despite the ambitious design of RTI law, the implementation has often resulted in administrative overload and inefficiencies.²¹⁹ Government agencies are frequently burdened with the task of retaining all records indefinitely, leading to a cluttered information environment where essential data is obscured by trivial documents.²²⁰ Moreover, the resistance from bureaucratic structures – viewing RTI as a threat to established practices – hampers the proactive disclosure of information. It is vital that implementation efforts prioritize the accessibility, relevance, and usability of information, thereby enabling effective public scrutiny and enhanced accountability.

Restrictions on Media Access to Information

The newly passed Online Safety Act²²¹ has precipitated a crisis for media access to information, significantly undermining journalistic integrity and the broader right to free expression. By vesting a five-member Online Safety Commission with sweeping powers to determine what constitutes "prohibited statements," the Act creates an environment of legal uncertainty and self-censorship among journalists.²²² Its vague definitions and punitive measures – including potential jail terms for individuals and harsh liabilities for social media platforms – pose a severe threat to investigative reporting and timely dissemination of critical public information. The law's broad provisions not only restrict political discourse and stifle dissent but also impose disproportionate penalties that hinder free expression and impede the media's watchdog role in a democratic society.²²³ Ultimately, this legislative measure is a dangerous encroachment on press freedoms, undermining the public's right to receive diverse, uncensored information.

In practice, this oppressive environment has led to widespread self-censorship among media practitioners while several independent outlets and press freedom organizations report persistent harassment, intimidation, and even violence against journalists. International bodies such as the International Federation of Journalists (IFJ) and civil society groups have repeatedly called on the government to uphold press freedom and institute comprehensive

²¹⁹ Key Informant Interview - Professor Rohan Samarajiva, Founding Chair of LIRNEAsia, Former Chair of the ICT Agency in Sri Lanka, 12, November 2024.

²²⁰ Key Informant Interview - Professor Rohan Samarajiva, Founding Chair of LIRNEAsia, Former Chair of the ICT Agency in Sri Lanka, 12, November 2024.

²²¹ See [Online Safety Act No. 09 of 2024](#).

²²² See [Online Safety Act No. 09 of 2024](#).

²²³ Lanka Law, 2025, List of Cases Filed under the Online Safety Act of Sri Lanka, <https://lankalaw.net/2025/01/19/cases-filed-under-online-safety-act/>, accessed on 15 January 2025.

reforms.²²⁴ These calls for change come amid a climate where accountability for past and present attacks on the media is still elusive, further undermining democratic discourse in the country.²²⁵

The newly elected government, as outlined in their election manifesto, has expressed concerns over what it perceives as a politically biased mass media and has pledged to uphold the professional integrity of journalists.²²⁶

Reporting

Section 8 of the RTI Act²²⁷ outlines the responsibility of every Minister in Sri Lanka to publish biannual reports that provide detailed information enabling citizens to exercise their right to access public information. This duty, crucial for ensuring transparency and accountability, requires Ministers to publish these reports by June 30th and December 31st each year. The reports must include comprehensive details about the organization, functions, activities, and duties of the Ministry and all associated public authorities. Specifically, the reports should provide: the powers, duties, and decision-making procedures of officers and employees; the norms and standards governing their functions and duties; the rules, regulations, and records used by them; information on facilities available to citizens for obtaining information; budgetary details, including allocated budgets, proposed expenditures, and disbursement reports; the contact details of the appointed IOs.

Recent analyses indicate that compliance among Sri Lankan ministries with the obligation to publish annual reports remains uneven. For instance, a 2023 directive from the Prime Minister – reported on the Parliament of Sri Lanka website – highlighted that several ministries were delayed in submitting their annual performance reports, prompting urgent measures to expedite these submissions.²²⁸ Similarly, data available on Public Finance.lk reveals that while some ministries adhere to their reporting requirements, others fall short, which undermines overall transparency and accountability in public financial management.²²⁹

²²⁴ IFI, January 2025, Sri Lanka: New government must uphold press freedom, says press freedom collective, <https://www.ifi.org/media-centre/news/detail/category/press-releases/article/sri-lanka-new-government-must-uphold-press-freedom-says-press-freedom-collective>, accessed on 30 January 2025.

²²⁵ Ground Views, September 2024, No Presidential Candidate Has Pledged to Repeal the Online Safety Act, <https://groundviews.org/2024/09/16/no-presidential-candidate-has-pledged-to-repeal-the-online-safety-act/>, accessed on 15 October 2024.

²²⁶ National People's Power Manifesto, 2024, <https://www.npp.lk/en/policies>, accessed on 20 January 2025.

²²⁷ See [Section 8 Right to Information Act No. 12 of 2016](#).

²²⁸ Parliament of Sri Lanka, April 2023, Make arrangements to provide the annual reports to Parliament of all the institutions under all Ministries – Prime Minister instruct the officials, <https://www.parliament.lk/committee-news/view/3175>, accessed on 15 October 2024.

²²⁹ Ministry of Finance, [Performance Report, 2022, https://publicfinance.lk/public/uploads/reports/file/1699104669_en.pdf](https://publicfinance.lk/public/uploads/reports/file/1699104669_en.pdf), accessed on 15 October 2024.

An analysis of information disclosure among Sri Lanka's large state-owned enterprises (SOEs) reveals a significant gap in compliance with statutory reporting requirements. According to the 2017 report by the Department of Public Enterprises, of the 55 large SOEs, only ten had published their annual report for 2016, despite the law mandating that reports be disclosed within six months after the year-end. This delay in timely reporting undermines robust corporate governance, as prompt disclosure is essential for enabling stakeholder scrutiny and ensuring accountability. Even more concerning is that thirty SOEs were found to be two or more years in arrears, highlighting systemic issues that compromise transparency and hinder effective oversight of these key public entities.²³⁰ However, following the initiation of the EFF Programme with the IMF, there has been marked progress in information disclosure, as all 52 key SOEs have published their annual reports up until 2023. This development – as of the last update on January 21, 2025 – significantly strengthens transparency and accountability, providing stakeholders with timely insights into the performance of these critical public entities.²³¹

Proactive Disclosure of Information on Large-Scale Projects

Section 9 of the RTI Act imposes a duty on Ministers to proactively communicate information about large-scale projects to the public, ensuring transparency and accountability before and during project implementation. According to Section 9(1)(a),²³² the Minister responsible for a particular project must communicate all available information about the project to the public and specifically to those likely to be affected, at least three months before the project's commencement. This proactive disclosure is crucial for ensuring that the public is informed and has the opportunity to raise concerns or seek clarifications before the project begins. In cases where a project is deemed urgent, the Minister is required to provide the information at least one week prior to commencement and must also communicate the reasons for the urgency to the RTI Commission. This exception ensures that even urgent projects are subject to some level of transparency.

The RTI Commission is tasked with issuing guidelines on how this communication should be conducted, as stated in Section 9(1)(b).²³³ These guidelines are intended to standardize the communication process, ensuring that information is conveyed clearly, effectively, and in a manner that reaches all relevant stakeholders.

²³⁰ Advocata, 2019, The State of State-Owned-Enterprises, <https://www.research.advocata.org/wp-content/uploads/2019/03/THE-STATE-OF-STATE-ENTERPRISES-IN-SRI-LANKA-PS-1.pdf>, accessed on 15 October 2024.

²³¹ Department of Public Enterprises, Annual Reports, Financial Statements of Key 52 SOEs <https://www.treasury.gov.lk/ta/web/annual-reports-financial-statements-of-key-soes>, access date 20 January 2025.

²³² See [Section 9\(1\)\(a\) Right to Information Act No. 12 of 2016](#).

²³³ See [Section 9\(1\)\(b\) Right to Information Act No. 12 of 2016](#).

Under Section 9(2),²³⁴ the Minister is also obligated to provide updated information about the project throughout its development and implementation phases upon request by a citizen. This ensures continuous transparency, allowing the public to stay informed about the project's progress and any changes that may occur. The information is to be provided upon payment of a fee, the amount of which is determined by the RTI Commission, ensuring that the process remains accessible yet financially sustainable. Section 9(3) defines the scope of what constitutes a "project" under this section. It applies to any project with a value exceeding either one hundred thousand US dollars for foreign-funded projects or five hundred thousand rupees (around 1670 USD) for locally funded projects. This definition ensures that significant projects with substantial financial implications are subject to the transparency requirements outlined in this section. ²³⁵

The think tank Verité Research has been conducting an annual assessment of information disclosure under section 9 of the RTI Act since 2017.²³⁵ The database provides detailed findings of the proactive disclosure assessment of 50 on-going infrastructure projects. The 40 different types of information required to be disclosed by the implementing agencies are grouped into 5 broad categories: Project Details, Rationale & Beneficiaries, Budget & Financial Details, Approvals & Clearances, and Procurement & Contracts. Only 18% of information was disclosed in 2022, with a minimal increase to 25% in the subsequent 2023 assessment.

Participation of Society

Sri Lanka's framework for public participation in governance, particularly in anti-corruption efforts, fiscal transparency, and policymaking, reflects a stark contrast between legal provisions and actual implementation. While legislative measures such as Section 39(2) of the Anti-Corruption Act²³⁶ explicitly mandate the engagement of civil society in combating corruption, there is little evidence to suggest that the state has taken meaningful steps to institutionalize this participation. The IMF's second review, under the EFF Programme with Sri Lanka, in June 2024, underscores the necessity of public consultation in shaping asset recovery laws under the forthcoming Proceeds of Crime legislation, yet the delay from April to November 2024.²³⁷ This lack of enforcement extends to budgetary transparency, where Sri Lanka's participatory budgeting score dropped from 19 in 2021 to 7 in 2023 due to delays in publishing key documents, effectively reducing opportunities for public scrutiny.²³⁸ These

²³⁴ See [Section 9\(2\) Right to Information Act No. 12 of 2016](#).

²³⁵ Verite Research, 2023, Infrastructure Watch, <https://dashboards.publicfinance.lk/infrastructure-watch/>, accessed on 23 June 2024.

²³⁶ See [Anti-Corruption Act No. 09 of 2023, December 2024](#).

²³⁷ IMF, June 2024, Sri Lanka: 2024 Article IV Consultation and Second Review Under the Extended Fund Facility, <https://www.imf.org/en/Publications/CR/Issues/2024/06/13/Sri-Lanka-2024-Article-IV-Consultation-and-Second-Review-Under-the-Extended-Fund-Facility-550261>, accessed on 20 October 2024.

²³⁸ International Budget Partnership, Open Budget Survey 2023 – Sri Lanka, <https://internationalbudget.org/open-budget-survey/country-results/2023/sri-lanka>, accessed on 20 October 2024.

lapses indicate that while mechanisms for participation exist on paper, they are undermined by the state's reluctance to institutionalize accessible and effective channels for public engagement.

Beyond anti-corruption and fiscal transparency, broader governance challenges also hinder meaningful participation. The environmental impact assessment (EIA) process exemplifies the state's failure to ensure public involvement in decision-making, with major development projects – such as the Adani wind-solar initiative – proceeding without adequate disclosure, leaving affected communities uninformed and unable to voice concerns.²³⁹ Language accessibility further compounds these barriers, as government institutions overwhelmingly prioritize English over Sinhala and Tamil, disproportionately disadvantaging Tamil-speaking communities who rely on government services in their native language.²⁴⁰ Similarly, weak voter literacy – stemming from inadequate awareness programs – limits informed electoral participation, which is particularly concerning given Sri Lanka's history of preferential voting and complex electoral processes.²⁴¹ Even at the local government level, participatory mechanisms such as urban council budgeting have failed to engage marginalized groups, reinforcing political disenfranchisement.²⁴² Taken together, these structural deficiencies illustrate that public participation remains largely performative rather than substantive, necessitating urgent reforms to strengthen transparency, accountability, and inclusivity in governance.

The weak implementation of participatory governance reveals significant challenges in ensuring meaningful public involvement in budgetary processes. Although the intent behind public participation is to facilitate transparency and accountability – allowing civil society to engage in budget planning, consultative processes, and oversight – the reality in Sri Lanka's context is that it is immensely challenging to implement. Budget allocations often remain a paper exercise, with disbursement and decision-making occurring through informal channels concentrated during specific periods of the fiscal year.²⁴³ This disconnect between formal procedures and the actual flow of funds undermines efforts to create a truly participatory governance model. The limited engagement of civil society, compounded by the emphasis on

²³⁹ Colombo Telegraph, September, 2023, 'Strictly Justify' The Refusal To Give Info On Adani Power Project – RTI Commission Orders BOI, https://www.colombotelegraph.com/index.php/strictly-justify-the-refusal-to-give-info-on-adani-power-project-rti-commission-orders-boi/#google_vignette, accessed on 14 October 2024.

²⁴⁰ Verite Research, 2023, Proactive Disclosure Report, https://www.veriteresearch.org/wp-content/uploads/2023/09/20231113_ProactiveDisclosureReport_F_withISSN.pdf, accessed on 14 October 2024.

²⁴¹ The Morning, September 2024, Political literacy, <https://www.themorning.lk/articles/velbwHwRucbU3n71T3ZA>, accessed on 14 October 2024.

²⁴² Essex Repository, Participatory budgeting in a Sri Lankan urban council: A practice of power and domination, <https://repository.essex.ac.uk/15933/1/Participatory%20Budgeting%20in%20a%20Sri%20Lankan%20Urban%20Council.pdf>, accessed on 15 January 2025.

²⁴³ Key Informant Interview - Professor Rohan Samarajiva, Founding Chair of LIRNEAsia, Former Chair of the ICT Agency in Sri Lanka, 12, November 2024.

supply-side data disclosure rather than demand-driven usability, directly conflicts with UNCAC's mandate for transparent and accountable public financial management.²⁴⁴

Furthermore, Sri Lanka's broader law and policymaking remains a largely closed process, with no formal channels for civil society or citizens to shape draft legislation. Attempts to access key draft legislation such as the Anti-Corruption Bill, National Procurement Bill, and the Companies Amendment Bill on beneficial ownership, through the RTI Act, have consistently failed, with every RTI request submitted by TISL denied by the Legal Draftsman's Department, the Ministry of Justice and other responsible agencies.²⁴⁵ Where draft laws should be proactively published, the rate of reactive disclosure in this regard is inadequate. The absence of post-enactment judicial review mechanism means there is no opportunity to revisit or challenge Bills once they become law.²⁴⁶ These conditions not only erode the quality of national legislation, create corruption risks, but also stands in violation of Article 27(4) of the Constitution²⁴⁷, which obliges the State to ensure that people are afforded every possible opportunity to participate at all levels in national life and in government.

Good practices

- Robust legal framework aligned with International Standards on Access to Information: The RTI Act is firmly rooted in constitutional guarantees and international human rights norms, ensuring that the right to access information is a fundamental right.

Deficiencies

- Inadequate resources and capacity due to a lack of support: The RTI Commission (RTIC) operates with severe financial and human resource constraints, limiting its ability to monitor, enforce, and support proactive information disclosure effectively.
- Limited public awareness and training: low public awareness and insufficient capacity-building for both citizens and public officials hinder effective utilization and compliance with the law.
- Poor proactive disclosure by public authorities: a significant number of public bodies disclose less than the mandated amount of information online. This is compounded

²⁴⁴ Key Informant Interview - Professor Rohan Samarajiva, Founding Chair of LIRNEAsia, Former Chair of the ICT Agency in Sri Lanka, 12 November 2024.

²⁴⁵ This reflects Transparency International Sri Lanka's first-hand experience in policy and legal advocacy over the past 20 years; see Annex 1 for the RTI application request table illustrating some of these efforts.

²⁴⁶ Economy Next, 25 October 2025, <https://economynext.com/sri-lankas-legislative-skullduggery-without-judicial-review-at-committee-stage-exposed-75134/>, access date 30 January 2025

²⁴⁷ Constitution of the National Democratic Socialist Republic of Sri Lanka, Article 27(4) *The State shall strengthen and broaden the democratic structure of government and the democratic rights of the People by decentralizing the administration and by affording all possible opportunities to the People to participate at every level in national life and in government.*

<https://www.parliament.lk/files/pdf/constitution.pdf>, access date 30 January 2025

by language biases with most information published in English – reducing accessibility for Sinhala and Tamil speakers.

- Inefficient record management and digitalization: public authorities struggle with maintaining, cataloguing, and digitizing records properly, which obstructs timely access to essential information and hampers the RTI process.
- Delays and misuse of exemptions: there are frequent delays in processing RTI requests and appeals, along with a pattern of initial refusals based on either negligent or wilful misinterpretation of exemption provisions of the RTI Act. This delays transparency and undermines public trust in the system.
- Penalties outlined in the RTI Act relating to non-compliance with the provisions of the Act pertaining to both reactive and proactive disclosure of information are not effectively followed, hindering any deterrent effect they are meant to have on public authorities refusing to provide information or providing false information.
- Policy and law-making processes in Sri Lanka are often conducted behind closed doors, with no centralised mechanism to publish draft laws or invite public input. This lack of transparency and structured consultation leads to inconsistent engagement practices across government institutions and limits meaningful public participation.

4.1.4 Article 11 – Measures relating to the Judiciary and Prosecution Services

The judicial arm of the government in Sri Lanka comprises the Supreme Court as the apex court, followed by the Court of Appeal, the High Court, and Courts of First Instance, such as the District Courts, Magistrate’s Courts, Primary Courts, as well as tribunals such as the labour tribunals, tax tribunals, arbitration bodies, etc. The final appellate jurisdiction, writ jurisdiction, supervisory jurisdiction and original jurisdiction on Fundamental Rights applications lies with the Supreme Court, whilst the Court of Appeal exercises the appellate jurisdiction and writ jurisdiction. The High Court exercises both appellate and original criminal jurisdiction, whereas the Magistrate Court exercises original jurisdiction for minor criminal offences. The District Court holds the original civil jurisdiction.

Independence of the Judiciary

Article 107²⁴⁸ to Article 111²⁴⁹ of Chapters XV of the 1978 Constitution of Sri Lanka²⁵⁰ provide for the independence of the judiciary, especially in terms of appointment, removal and salaries of Judges of the Supreme Court and Court of Appeal, as well as the appointment, removal and disciplinary control of Judges of the High Court.

²⁴⁸ Appointment and removal of Judges of the Supreme Court and Court of Appeal.

²⁴⁹ Appointment, removal and disciplinary control of Judges of the High Court.

²⁵⁰ Sri Lanka Parliament, The Constitution of the Democratic Socialist Republic of Sri Lanka (1978) <https://www.parliament.lk/files/pdf/constitution.pdf>, accessed on 25 July 2024.

With the enactment of the 19th Amendment to the Constitution²⁵¹ in 2015, several constitutional safeguards to uphold the independence of the judiciary and the bar were introduced, the most prominent being the introduction of safeguards to the process of appointment of senior judges.²⁵² Previously, the authority to appoint the Chief Justice and other Judges of the superior courts was vested in the President based on the observations of the Parliamentary Council. However, the 19th Amendment stipulated provisions for the appointment of the Chief Justice, the President of the Court of Appeal and Judges of the Supreme Court and of the Court of Appeal to be made by the President only upon the approval of the said appointments by the Constitutional Council.²⁵³ Further, in the discharge of its functions relating to the appointment of Judges to the Supreme Court, the President and Judges of the Court of Appeal, the Constitutional Council is required to obtain the views of the Chief Justice.²⁵⁴ Additionally, the Constitution regards interfering with the exercise and performance of powers and functions of the judiciary as an offence under Article 111C.

Establishing standards for the ethical conduct of judges, the 2002 Bangalore Principles of Judicial Conduct regard judicial independence as a prerequisite to the rule of law and a fundamental guarantee of a fair trial. Judges are required to uphold and exemplify judicial independence in both individual and institutional aspects.²⁵⁵ Recognizing six core values - independence, impartiality, integrity, propriety, equality, competence and diligence, these principles set benchmarks and elaborate the conduct to be expected from officers of the judiciary globally.

At the core of the concept of judicial independence is the theory of the separation of powers, necessitating the judiciary to function independently of the other two arms of the government, the executive and the legislature. While there have been improvements in certain areas, challenges have increased, especially with regard to maintaining the separation of powers and ensuring that the judiciary is free from external pressures and political interference.

Recent events in Sri Lanka demonstrate continuous attempts to undermine the independence of the judiciary and to compromise the separation of powers. For instance, serious concerns were raised regarding the process followed in enacting the Online Safety Act (OSA) No. 9 of

²⁵¹ Sri Lanka Parliament, Nineteenth Amendment to the Constitution (2015), <https://www.parliament.lk/files/pdf/constitution/19th-amendment-act.pdf>, accessed on 01 August 2024.

²⁵² Article 107, Ibid.

²⁵³ Article 41C (1) of 1978 Constitution of Sri Lanka.

²⁵⁴ Article 41C (4) of the 1978 Constitution of Sri Lanka.

²⁵⁵ United Nations Office on Drugs and Crime, Bangalore Principles of Judicial Conduct (2002), <https://www.unodc.org/documents/ji/training/bangaloreprinciples.pdf>, accessed on 26 July 2024.

2024²⁵⁶, which was perceived as a repressive law by civil society, activists and critics²⁵⁷, and the drafting process of which was shrouded in secrecy, further limiting people's freedom of expression. The constitutionality of the proposed Bill was challenged by 45 petitions filed in the Supreme Court, making it the Bill against which the highest number of petitions have been filed.²⁵⁸ Following the hearings, the Court made its determinations on the clauses which were challenged and which were required to be amended, to be passed by a special majority in the Parliament. Alternatively, they could be amended during the Committee Stage and be passed by a simple majority in the Parliament, in accordance with the Constitution.

The proposed amendments constituted significant modifications to the Bill. Nevertheless, the Bill was passed in Parliament, disregarding certain mandatory changes noted by the Supreme Court in its determination to pass the law with a simple majority. The Government's haste in enacting the OSA, coupled with its blatant disregard for the Supreme Court's determination, raised numerous concerns regarding not only the legality of the law but also the lack of due regard and respect for the judiciary. Several Fundamental Rights Petitions were filed in the Supreme Court challenging the purported passage of the Act and TISL's petition (SC/FR/56/2024)²⁵⁹ challenged the legality of the Act. This has established an alarming negative precedent with potential grave implications for the judiciary's independence and the principle of separation of powers between the judiciary and the legislature.²⁶⁰

Similarly, the Supreme Court's recent Determination²⁶¹ on the proposed Gender Equality Bill²⁶² was met with strong opposition from the President. Referring to the determination, former President Ranil Wickremesinghe coined the provocative term "judicial cannibalism" during a Parliament session, posing a direct challenge to the judiciary's authority. While scrutinizing and criticizing the Determination, he used this expression alleging that it infringes upon the powers of Parliament as outlined in Article 4 of the Constitution, proposing the establishment of a Select Committee to investigate this issue further.²⁶³

²⁵⁶ See [Sri Lanka Parliament, Online Safety Act No. 9 of 2024](#), 26 July 2024.

²⁵⁷ Daily FT, 12 March 2024, No reprieve from Supreme Court: Online Safety Bill and Anti-Terrorism Bill, <https://www.ft.lk/columns/No-reprieve-from-Supreme-Court-Online-Safety-Bill-and-Anti-Terrorism-Bill/4-759358>, accessed on 18 December 2024.

²⁵⁸ SCRIBD, October 2023, Supreme Court Determination on The Online Safety Bill, <https://www.scribd.com/document/703261850/Supreme-Court-Determination-on-the-Online-Safety-Bill-The-Bill-and-Amendments-Proposed-by-AG>, accessed on 18 December 2024.

²⁵⁹ TISL Knowledge Hub, OSA Petition, <https://knowledgehub.tisrilanka.org/wp-content/uploads/2024/07/OSA-Petition.pdf>, accessed on 18 December 2024.

²⁶⁰ Centre for Policy Alternatives, February 2024, Statement on the Online Safety Act No. 09 of 2024, <https://www.cpalanka.org/statement-on-the-online-safety-act-no-09-of-2024/>, accessed on 22 August 2024.

²⁶¹ A Determination is when the Supreme Court determines/decides that a legislation in its Bill stage or any provision thereof is inconsistent with the Constitution.

²⁶² Sri Lanka Parliament, Gender Equality Bill, 2024, <https://parliament.lk/uploads/bills/gbills/english/6345.pdf>, accessed on 18 December 2024.

²⁶³ Daily Mirror, June 2024, Supreme Court has engaged in judicial cannibalism: President, <https://www.dailymirror.lk/breaking-news/Supreme-Court-has-engaged-in-judicial-cannibalism-President/108-285139>, accessed on 22 August 2024.

Such events have sparked debates about the judicial arm crumbling in terms of its independence, and the growing attempts of influence of the executive and legislative arms over the judiciary.²⁶⁴ These incidents collectively suggest a concerning trend where the judiciary's independence is being consistently undermined and condemned, behind parliamentary and executive privileges, raising concerns about the separation of powers and the protection of Constitutional rights in Sri Lanka.

In addressing concerns pertaining to judicial independence, a senior Attorney-at-law in Sri Lanka, during a key informant interview, stated that while the judiciary's independence is safeguarded to some extent, there remains significant room for improvement. In particular, the capacity and competency of the judiciary require further strengthening. While a code of conduct for judicial officers is essential, the establishment of a robust system ensuring judicial competence is of equal importance. This entails appointing highly qualified and competent individuals to the judiciary, with selection processes based strictly on merit, with clear and transparent criteria, which are free from leeway for external interferences.²⁶⁵

This can be further ensured by introducing basic performance indicators for judges and by implementing judicial audits, which are not currently practiced in Sri Lanka.²⁶⁶ Judicial audits would serve as a valuable mechanism for assessing the quality of judgements, identify inefficiencies, biases or areas susceptible to corruption within the judicial system, which may compromise the quality and integrity of judicial decisions. Moreover, such audits would enhance accountability and provide greater insight into the internal operations of the judiciary, thereby fostering greater transparency and strengthening public confidence in the judicial process. The judiciary, as a public institution, should be open to scrutiny and be subject to assessment to ensure accountability, transparency, and continuous improvement of standards within the judicial system.

On the other hand, any interference with the operations and decisions of the judiciary, particularly by political authorities, should be strictly regarded as an offence, as such actions undermine judicial independence and the rule of law. A clear and stringent procedural framework should be established, explicitly affirming that judges are not answerable to any political authority, regardless of its rank or influence. Furthermore, any political authority making unfair, unjustifiable, or false allegations against the judiciary should be held accountable in a court of law.²⁶⁷

Judicial Service Commission (JSC)

²⁶⁴ Daily FT, June 2024, President's 'Judicial Cannibalism' comment sparks BASL outrage, <https://www.ft.lk/front-page/President-s-Judicial-Cannibalism-comment-sparks-BASL-outrage/44-763250>, accessed on 7 January 2025.

²⁶⁵ Key Informant Interview – Geoffrey Alagaratnam, President's Counsel (Attorney-at-Law), 13 November 2024.

²⁶⁶ Ibid.

²⁶⁷ Key Informant Interviewee – Anura Maddegoda, President's Counsel (Attorney-at-Law), 13 November 2024.

Chapter XVA of the Sri Lankan Constitution stipulates provisions for a JSC comprising the Chief Justice as the chairman of the Commission and the two most senior Judges of the Supreme Court appointed by the President, subject to the approval of the Constitutional Council.²⁶⁸ It is empowered to make appointments, promotions, transfers and exercise disciplinary control of judicial officers in lower courts, as well as make rules regarding training of the judges.²⁶⁹ The JSC, through its mandate, provides training to judges on integrity aspects. Although there is no specific written Code of Conduct for Judicial Officers in Sri Lanka, they are governed by JSC rules and circulars, together with the Establishments Code, the Supreme Court Rules and the Court of Appeal Rules.

In 2020, under the proposed 20th Amendment Bill to the Constitution, the President was given the discretion to appoint two judges of the Supreme Court as members of the JSC²⁷⁰, disregarding the seniority and judicial experience of such appointments, as opposed to the previous Constitutional provisions which required the two most senior Judges of the Supreme Court to be appointed by the President upon the approval of the Constitutional Council. The 21st Amendment²⁷¹ restored the provisions that were in effect prior to the 20th Amendment and are currently in force.

Similarly, prior to the 20th Amendment, Article 111E (6) of the Constitution stipulated that the President may remove any member of the JSC from office, with the approval of the Constitutional Council. This was amended²⁷² by the 20th Amendment²⁷³ which eliminated the required approval of the Constitutional Council to remove members of the JSC. This provision remains unchanged amidst criticism that it lacks separation of powers²⁷⁴ and overlooking the principle of 'check and balance' among the arms of the government.

Note: A request was submitted to the JSC under the RTI Act, seeking an interview to ascertain its position on the implementation of this article. However, the request was declined on the grounds that the "JSC can consider such engagements with state entities only".

²⁶⁸ Article 111D (1) of the 1978 Constitution of Sri Lanka.

²⁶⁹ Article 111H of the 1978 Constitution of Sri Lanka.

²⁷⁰ Department of Government Printing, 20th Amendment Bill to the Constitution, http://www.documents.gov.lk/files/bill/2020/9/27-2020_E.pdf, accessed on 19 August 2024, Clause 25.

²⁷¹ Sri Lanka Parliament, 21st Amendment to the Constitution, <https://www.parliament.lk/uploads/acts/gbills/english/6261.pdf>, accessed on 19 August 2024.

²⁷² Clause 26 of the 20th Amendment Bill to the Constitution.

²⁷³ See Sri Lanka Parliament, 20th Amendment to the Constitution, Clause 24.

²⁷⁴ Journalists for Democracy in Sri Lanka, September 2020, Sri Lanka: 20 A Contrary to the Rule of Law and Principals of Separation of Powers, <http://www.jdslanka.org/index.php/news-features/politics-a-current-affairs/965-sri-lanka-20-a-contrary-to-the-rule-of-law-and-principals-of-separation-of-powers>, accessed on 18 December 2024.

The Constitutional Council's authority to approve the President's recommendations for appointment of Supreme Court judges to the Judicial Service Commission necessitates complete independence and impartiality within the Council. Given the powers vested in the Constitutional Council, it plays a pivotal role in ensuring that key commissions, particularly the appointments of which are contingent upon its approval, are headed by eligible, competent, independent and impartial members. Achieving this requires a composition of the Constitutional Council which has a balanced apolitical representation, independent of political interferences. In fact, the Civil Society Governance Diagnostic Report of 2023 recommends revising the composition and structure of the Constitutional Council to increase the proportion of non-political representatives, thereby enhancing the Council's ability to ensure independence in decision-making.²⁷⁵

The need for such reform has become clear with the controversial recent appointments of the Inspector General of Police (IGP) and the DG of the Commission to Investigate Allegations of Bribery or Corruption (CIABOC). With regard to the IGP, the President appointed Deshabandu Tennakoon as the IGP in early 2024, against which nine petitions were filed.²⁷⁶ The Centre for Policy Alternatives (CPA) challenged the constitutionality of the appointment on the basis that the Leader of the Opposition alleged it had not obtained the minimum requirement of five votes in the Constitutional Council. The Supreme Court issued an interim order preventing Deshabandu Tennakoon from serving as IGP, until the judgement of the petitions.²⁷⁷ In response, the Prime Minister of Sri Lanka announced in Parliament that the government refused to accept the Supreme Court's interim order and urged the Speaker of the Parliament to issue a ruling to this effect, which has raised a significant conflict between the executive and the judiciary.²⁷⁸ Similarly, the appointment of the DG of CIABOC in April 2024 sparked controversy with three petitions being filed by TISL, journalist Ruwani Niwanthika Fonseka²⁷⁹ and Dr. Vidhura Ralapanawe²⁸⁰, challenging the legality of the

²⁷⁵ See Civil Society Governance Diagnostic Report on Sri Lanka - An Assessment of the Anti-Corruption Landscape of Sri Lanka, Recommendation 34.

²⁷⁶ Economy Next, July 2024, Supreme Court issues interim order on appointment of Sri Lanka's police chief: report, <https://economynext.com/supreme-court-issues-interim-order-on-appointment-of-sri-lankas-police-chief-report-173553/>, accessed on 18 December 2024.

²⁷⁷ Ibid.

²⁷⁸ News Wire, July 2024, Deadlock: Govt refuses to accept Supreme Court's IGP ruling, <https://www.newswire.lk/2024/07/26/deadlock-govt-refuses-to-accept-supreme-courts-igp-ruling/>, accessed on 23 August 2024.

²⁷⁹ The Sunday Times, May 2024, Transparency International Sri Lanka and journalist file FR petitions against appointment of CIABOC DG, <https://www.sundaytimes.lk/240505/news/transparency-international-sri-lanka-and-journalist-file-fr-petitions-against-appointment-of-ciaboc-dg-556607.html>, accessed on 19 December 2024.

²⁸⁰ Daily FT, May 2024, Petition filed against appointment of new CIABOC DG, <https://www.ft.lk/front-page/Petition-filed-against-appointment-of-new-CIABOC-DG/44-761449>, accessed on 19 December 2024.

appointment.²⁸¹ TISL filed a petition²⁸² contesting the appointment of W. Kanishka D. Wijeratne as the DG of the CIABOC, who had previously served as the DG of CIABOC since January 2020, and was reappointed to the same position on April 2, 2024, following the enactment of the new Anti-Corruption Act (ACA). Being named as a Respondent in the Petition, the Constitutional Council was urged to make public the procedure followed in this appointment process also calling upon the Council and the CIABOC to establish clear and transparent guidelines for future appointments to the position of DG, a reform that is still pending.

Prosecution Services

The Attorney General's Department, CIABOC and Sri Lanka Police are key prosecution institutions in Sri Lanka, which are separate from the judiciary. While the prosecutors of the Attorney General's Department represent the State in criminal and civil matters, the CIABOC carries out prosecution only relating to offences of bribery, corruption, and assets declaration related offenses. Counsels and officers of the prosecution services are regarded as public officers and the rules governing the public service, including the Establishments Code, are applicable to such prosecutors as well.

The State's chief legal advisor and the primary lawyer in the Supreme Court of Sri Lanka, the Attorney-General, is appointed pursuant to Article 61E of the Constitution of Sri Lanka by the President subject to the approval of the Constitutional Council and is removed by the President in terms of the Removal of Officers (Procedure) Act No. 5 of 2002.²⁸³ The current legal framework governing the appointment and removal of the Attorney-General ensures impartiality in these processes concerning the office of the Attorney-General.

However, the independence of the Attorney-General's Department has been subject to constant scrutiny in terms of its dual role as the chief legal advisor and the chief prosecutor of the State. The office of the Attorney-General is generally tasked with appearing before the court to defend the State or its officials against legal action. It can also prosecute the same State entities or officials. This situation renders the Attorney-General vulnerable to a conflict of interest and subject to criticism for lacking independence.

²⁸¹ The Sunday Times, May 2024, Third petition filed challenging appointment of CIABOC DG, <https://www.sundaytimes.lk/240512/news/third-petition-filed-challenging-appointment-of-ciaboc-dg-557080.html>, accessed on 19 December 2024.

²⁸² Transparency International Sri Lanka, May 2024, Transparency International Sri Lanka Challenges the Appointment of CIABOC Director General in Supreme Court, <https://www.tisrilanka.org/transparency-international-sri-lanka-challenges-the-appointment-of-ciaboc-director-general-in-supreme-court/>, accessed on 23 August 2024.

²⁸³ Removal of Officers (Procedure) Act No. 5 of 2002 available on https://documents.gov.lk/view/acts/2002/3/05-2002_E.pdf.

The Special Rapporteur on the Independence of Judges and Lawyers, Monica Pinto, on her mission to Sri Lanka in 2016, studied the role of the Attorney General's Department in her Preliminary Observations and Recommendations, and noted that "the Attorney-General's Department acts as the representative of the State, which should by no means be equivalent to defending the government. However, there is a general perception that, first and foremost, the department defends the interests of the government, not the public's interest. This undermines the independence and credibility of the prosecution".²⁸⁴

Addressing persistent allegations against the Attorney-General, which call for a separate and independent prosecution entity to prevent any conflict of interest, a former Supreme Court judge stated in a key informant interview that the Attorney-General is not by default subject to any conflict of interest, as he is entitled to refrain from defending the State or state officials to avoid a conflict of interest.²⁸⁵

This sentiment was depicted in a case filed by TISL in 2023 before the Supreme Court, concerning the actions of the Respondents; Cabinet of Ministers, the Minister of Health, the Ministry of Health, and the National Medicines Regulatory Authority (NMRA) to procure medical supplies from two unregistered private companies in alleged violation of the Procurement Guidelines and abusing the emergency procurement process.²⁸⁶ During the hearing, the Attorney-General, who is named as a Respondent²⁸⁷ in this matter, withdrew from representing the Respondent State officials and entities citing a concurrent case being filed before the Magistrate's Court²⁸⁸ concerning the same issue, in which the Attorney-General had initiated criminal charges against the same parties he was defending before the Supreme Court. This inadvertent admission of the conflict of interest faced by the Attorney-General in exercising his dual roles highlights the need for an independent prosecutor.²⁸⁹

The CIABOC, as the independent authority of the State established to combat bribery and corruption, has consistently been criticized for its lack of willingness and ability to utilize the wide powers afforded to them and enforce the law effectively and equally. While certain weaknesses, especially delayed prosecutions, low investigations and conviction rates have been primarily attributed to inadequate powers and insufficient human and financial

²⁸⁴ Human Rights Council, 2016, Report of the Special Rapporteur on the independence of judges and lawyers on her mission to Sri Lanka, <https://www.refworld.org/reference/mission/unhrc/2017/en/116933>, accessed on 29 August, 2024, Pg 11.

²⁸⁵ Key Informant Interviewee – Retired Supreme Court Judge (Anonymity requested), 21 March 2023.

²⁸⁶ Transparency International Sri Lanka, February 2023, TISL files FR case regarding controversial medical supplies procurement through Indian Credit Line, <https://www.tisrilanka.org/tisl-files-fr-case-regarding-controversial-medical-supplies-procurement-through-indian-credit-line/>, accessed on 17 August 2024.

²⁸⁷ A party against whom a case is filed. In this case, the Attorney-General was named a Respondent to represent the state officials and entities.

²⁸⁸ The lowest court vested with original criminal jurisdiction.

²⁸⁹ Daily News, June 2024, AG won't represent NMRA officials, former Health Minister in Immunoglobulin case, <https://www.dailynews.lk/2024/06/15/lawnorder/569966/ag-wont-represent-nmra-officials-former-health-minister-in-immunoglobulin-case/>, accessed on 26 August 2024.

resources allocated to the CIABOC, it has been evident that the institution has also failed to showcase its readiness to fully utilize its already available powers. For example, the number of instances in which CIABOC has exercised its *suo moto* powers²⁹⁰ from 2015 when the power was given, up to 2017, is zero.²⁹¹ Despite its renewed mandate under the new ACA, the CIABOC continues to face resource constraints, both in terms of human and financial resources. Furthermore, significant challenges in investigations and prosecutions have been identified, including delays in receiving complaints, public reluctance to report allegations, inadequate evidentiary material to substantiate allegations, and a lack of technical expertise.²⁹²

CIABOC's progress in effectively exercising its powers and mandate over the years has been rather unsatisfactory. As highlighted in the Civil Society Governance Diagnostic Report, CIABOC had filed 69 cases in 2021, of which 42 were subsequently withdrawn. Similarly, in 2022, 71 cases had been filed, with 46 later withdrawn, primarily on the basis of mere technical grounds and lack of evidence. Notably, several opposition leaders at the time alleged that these withdrawals were influenced by political interference in CIABOC's operations.²⁹³

CIABOC must therefore cultivate a strong commitment to enhance its effectiveness by fully utilizing its conferred powers to their maximum potential – backed by resource allocation from the government, showcasing strong political will to combat corruption.²⁹⁴ It should not only limit to initiating investigations, but also ensure their proper execution and continuation, remaining impervious to any external influence that could compromise its independence and hinder its efforts to combat corruption.

Good practices

- Public access to the Declaration of Assets and Liabilities of Judges and public officers appointed by the President, and judicial officers and scheduled public officers appointed by the JSC outlined in the new Anti-Corruption Act No. 9 of 2023 (ACA).

Deficiencies

²⁹⁰ A Latin phrase referring to an action taken on its own motion/accord. CIABOC was empowered under Article 156A(1)(b) of the 19th Amendment to the Constitution, to launch investigations on their own motion without any communication or complaint.

²⁹¹ See TI Sri Lanka, (2023), [Civil Society Governance Diagnostic Report on Sri Lanka](#), accessed on 07 February 2025.

²⁹² Key Informant Interview – Commissioner, CIABOC, 26 November 2024.

²⁹³ Ceylon Today, July 2023, CIABOC dropped 95 cases involving political figures – AKD, <https://ceylontoday.lk/2023/07/08/ciaboc-dropped-95-cases-involving-political-figures-akd/>, accessed on 06 January 2025.

²⁹⁴ UNDP, Rapid Capacity Assessment of The National Commission to Investigate Allegations of Bribery or Corruption (CIABOC) <https://www.undp.org/srilanka/publications/rapid-capacity-assessment-national-commission-investigate-allegations-bribery-or-corruption-ciaboc>, accessed on 20 June 2025

- Absence of a centralized electronic system to submit Declaration of Assets and Liabilities, and for easy and open public access.
- CIABOC's interpretation of their discretion in the redaction of vital information such as the date of opening bank accounts, account balances in Asset Declarations and names of children prior to making them publicly accessible under the ACA, undermines the spirit and intention of the law.
- Absence of a formal written code of conduct for judicial officers, which creates uncertainty regarding the standards expected from them, particularly in a context where concerns about political influence over prosecutorial decisions are prevalent.
- The dual role of the Attorney General as both chief legal advisor and the chief prosecutor of the State creates an inherent risk of conflicts of interest and has attracted criticism regarding the lack of institutional independence. Furthermore, the Attorney General's failure to exercise the right to recuse from making representations in circumstances where conflicts may arise, further exacerbates concerns of conflicts of interest.
- Lack of stringent procedural framework to ensure that judges are not answerable to political authority and to hold into account political authority that make allegations against the judiciary under impunity of parliamentary privileges.

4.2 Chapter V

This chapter analyses the implementation of Articles 14 of Chapter II, and Articles 52 and 58 of Chapter V of the UNCAC in Sri Lanka through the existing legal framework, application of laws, regulations and practices. It highlights both good practices and areas for improvement.

4.2.1 Article 14 of Chapter II and Articles 52 and 58 of Chapter V – Measures to Prevent Money-Laundering, Prevention and Detection of Transfers of Proceed of Crime, and the Financial Intelligence Unit

Sri Lanka has established a robust legal framework to combat money laundering and terrorist financing, which comprises key legislation such as the Prevention of Money Laundering Act No. 5 of 2006 (PMLA), the Financial Transactions Reporting Act No. 6 of 2006 (FTRA), and the Convention on the Suppression of Terrorist Financing Act No. 25 of 2005 (CSTFA). These laws were developed in alignment with the Financial Action Task Force (FATF) recommendations, aiming to create a comprehensive AML/CFT regime in the country.²⁹⁵

Money Laundering is classified as an offence and is defined under Section 3 of PMLA, which includes, among other things, engaging in any transaction with property realized from 'unlawful activity'. This definition of 'Unlawful activity' includes any offence under the Bribery Act of 1994. However, with the enactment of the new Anti-Corruption Act No.09 of 2023 (ACA) in September 2023, repealing the Bribery Act of 1994, the question arose whether this definition would extend to the ACA or whether this warrants an amendment to the FTRA. It is reported that amendments to the FTRA are being finalized to address this concern and also to refer the Act to the anticipated Proceeds of Crime law, once enacted.²⁹⁶

In compliance with paragraph 1(b) of Article 14 and Article 58 of the UNCAC, the Financial Intelligence Unit (FIU)²⁹⁷ was established under the FTRA in March of 2006. The FIU serves as the central authority for AML/CFT compliance, overseeing the implementation of these laws and ensuring that financial institutions adhere to customer due diligence, record-keeping, and STR requirements. Operating as an independent institution within the framework and administrative structure of the Central Bank of Sri Lanka, the FIU has been a member of the Egmont Group since May 26, 2009, and Sri Lanka is a member of The Asia Pacific Group (APG) on Anti-Money Laundering. The UNCAC Country Review Report of Sri Lanka published in

²⁹⁵ Central Bank of Sri Lanka, July 2006, Preventing Money Laundering And Combating the Financing of Terrorism, https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/Preventing%20Money%20Laundering%20and%20Combating%20the%20Financing%20of%20Terrorism%20%282006%29.pdf, accessed on 15 August 2024.

²⁹⁶ Key Informant Interview – Official (Anonymity requested), FIU, 30 July 2024.

²⁹⁷ Financial Intelligence Unit of Sri Lanka, July 2024.

2018²⁹⁸ observes that Sri Lanka is largely compliant with Article 58, and Sri Lanka's membership in the Egmont Group further evidences the implementation of Article 58.

The FTRA also mandates all institutions carrying out finance operations or designated non-finance businesses as defined under the FTRA, to comply with the provisions of the Act, including verification and establishment of identity of customers, maintenance of records, conducting on-going due diligence and scrutiny of customers. Additionally, such institutions are obligated to file "Suspicious Transaction Reports (STR)" with the FIU under the circumstances outlined in the Act. The FIU is empowered inter alia to collect material relating to unlawful activity, issue rules and guidelines on customer identification, record keeping, reporting obligations, identification of suspicious transactions etc.

Regulations, Rules and Guidelines issued from 2006 to 2015 by the FIU²⁹⁹ have been referred to in the Country Review Report of 2018. Since then, the FIU has issued circulars and guidelines³⁰⁰ including those on AML & CFT compliance for attorneys and notaries, the authentication of customer identification details, and additional measures to mitigate emerging money laundering and terrorist financing risks, among others.

In an effort to improve the effectiveness of the AML/CFT regime in the country in compliance with international AML/CFT standards, the FIU carried out the National Risk Assessment (NRA) on Money Laundering/ Terrorist Financing (ML/TF) from July 2021 to December 2022, with technical assistance from the World Bank. The assessment was conducted in compliance with Recommendation 1 of the FATF Recommendations, and the outcome report of the assessment was published in September 2023.³⁰¹ The FIU has acted as a coordinator for the NRA which involved engagements by various stakeholders including relevant ministries, departments and agencies. Following the assessment, the findings of the same are to be conveyed to the Cabinet of Ministers, which ultimately aids in the formulation of AML/CFT Policy in the areas that should be developed and strengthened and the legal framework, among others.³⁰²

The FIU's core functions commence by receiving written complaints (technically referred to as 'reports'), such as "Cash Transactions Reports and Threshold Transactions Reports" which have a value threshold of up to LKR 1 million (approximately 3340 USD), and STRs which are raised irrespective of the transaction value. In addition, public complaints are taken into

²⁹⁸ See [UNCAC Country Review Report of Sri Lanka, 2018](#).

²⁹⁹ See [UNCAC Country Review Report of Sri Lanka, 2018](#).

³⁰⁰ Financial Intelligence Unit of Sri Lanka, Circulars and Guidelines, https://fiusrilanka.gov.lk/circulars_guidelines.html, accessed 22 August 2024.

³⁰¹ Financial Intelligence Unit of Sri Lanka, September 2023, National Risk Assessment on Money Laundering and Terrorist Financing (2021/22), <https://mfa.gov.lk/en/wp-content/uploads/2023/09/Full-Sanitized-NRA-Report.pdf>, 22 August 2024.

³⁰² Key Informant Interviewee – Official (Anonymity requested), FIU, 30 July 2024.

consideration, as long as they are not anonymous. Following a process of collection of further information and an analysis, if sufficient suspicion to identify a ML/TF activity remains, such intelligence will be referred to the law enforcement agencies for action. The FIU maintains continuous follow-up and coordination with these agencies to assist further in investigations.³⁰³

Sri Lanka has implemented a cross-border cash declaration requirement, which is applicable to both incoming and outgoing cross-border transportation of cash, with a threshold of 15,000 USD (or its equivalent in other currencies) for persons departing from or arriving in Sri Lanka, and up to LKR 20,000 (around 67 USD) for persons in or resident in, Sri Lanka who may take out of, or bring into Sri Lanka, respectively. This requirement covers all physical cross-border transportation, and also extends to cash carried by travellers, as well as cash transported through mail and cargo.³⁰⁴ While Sri Lanka Customs is responsible for monitoring the enforcement of the cash declaration requirement, the FIU receives and processes reports and information on suspicious cross-border cash movements from financial institutions and other reporting entities, including the Customs. The FIU does not directly monitor such movements, as they do not have a physical presence at the borders.

Highlighting the performance of the FIU in line with its mandate and the international standards on AML and CFT, the 2022 Annual Report of the Central Bank of Sri Lanka³⁰⁵ stated that the FIU received 1,481 STRs from Reporting Institutions (RIs) and the general public. Out of these, 419 STRs have been referred to relevant law enforcement agencies and regulatory authorities for further investigation or regulatory actions, 605 STRs were kept under surveillance, and 134 STRs were subjected to further study.

In terms of Section 6 of the FTRA,³⁰⁶ FIU received 7.6 million (provisional) Cash Transactions and 10.8 million (provisional) Electronic Fund Transfers (EFTs-inward and outward) of those exceeding the reporting threshold of LKR 1.0 million (approximately 3340 USD) or its equivalent in any foreign currency from the RIs, during the year 2022.

Under the powers vested under Section 19(1) and (2) of FTRA,³⁰⁷ financial penalties can be imposed on Institutions for non-compliance with the provisions of the FTRA. As Sri Lanka's

³⁰³ Key Informant Interviewee – Official (Anonymity requested), FIU, 30 July 2024.

³⁰⁴ Department of Foreign Exchange, Central Bank of Sri Lanka, https://www.dfe.lk/web/index.php?catid=81&id=142%3Agold-trade&lang=en&option=com_content&view=article, accessed on 07 August 2024.

³⁰⁵ Central Bank of Sri Lanka, Annual Report 2022, https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/annual_report/2022/en/12_Chapter_08.pdf, accessed on 07 August, 2024, Pg 284.

³⁰⁶ Financial Intelligence Unit of Sri Lanka, Financial Transactions Reporting Act No. 6 of 2006, [https://fiusrilanka.gov.lk/docs/ACTs/FTRA/Financial_Transactions_Reporting_Act_2006-6_\(English\).pdf](https://fiusrilanka.gov.lk/docs/ACTs/FTRA/Financial_Transactions_Reporting_Act_2006-6_(English).pdf), accessed on 07 August, 2024, Section 6 - Institutions to report financial transactions to the FIU.

³⁰⁷ Ibid, Section 19 - Imposition of penalty to enforce compliance.

regulator for AML and CFT, the FIU, in exercising its authority to impose administrative penalties on financial institutions for violations of the FTRA, has collected penalties amounting to LKR 5.5 million (around 18367 USD) in total from 17 November 2022 to 31 March 2023 to enforce compliance on Financial Institutions, which have been credited to the Consolidated Fund.³⁰⁸

The 2018 Country Review Report of UNCAC implementation in Sri Lanka³⁰⁹ has identified several areas for improvement, including the FIU's lack of use of available police data on known or suspected criminals in its operational analysis of STRs, which adversely impacts the quality of intelligence products disseminated to the police.³¹⁰ According to the FIU, direct access to police criminal record databases was unavailable in 2018. Although such access is now available, a significant limitation of the system is that the police criminal record database remains non-computerized. This is perceived as an inherent drawback of the system.

The Country Review Report also noted that information from reporting entities is primarily confined to banks, with STRs not being received from any Designated Non-Financial Businesses and Professions (DNFBPs). In response, the FIU indicated that at the time of the country review in 2017, no regulations concerning DNFBPs had been issued. However, following the issuance of the Rule on Designated Non-Financial Businesses in 2018³¹¹, the FIU has begun receiving STRs and has undertaken the requisite supervision.

Sri Lanka has been "Grey Listed" twice by the FATF in 2011 and 2017, with the European Union also blacklisting the country in 2017 due to non-compliance.³¹² Amidst these challenges and based on the deficiencies identified and giving effect to the recommendations of the Mutual Evaluation Report on Sri Lanka by the APG in 2015³¹³, the FIU has taken steps to address the same and has demonstrated progress over the past nine years, wherein several deficiencies

³⁰⁸ Central Bank of Sri Lanka, May 2023, Press Release: Imposition/ Collection of Administrative Penalties by the Financial Intelligence Unit (FIU) to Enforce Compliance on Financial Institutions from 17 November 2022 to 31 March 2023,

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20230509_imposition_of_administrative_penalties_by_fiu_e.pdf, accessed on 10 August 2024.

³⁰⁹ UNODC (2018), Country Review Report of Sri Lanka, https://www.unodc.org/documents/treaties/UNCAC/CountryVisitFinalReports/2018_09_03_Sri_Lanka_Final_Country_Report.pdf, accessed on 09 August 2024.

³¹⁰ Ibid, Pg 96.

³¹¹ Financial Intelligence Unit of Sri Lanka, 2018, Designated Non-Finance Business (Customer Due Diligence) Rules, No. 1 of 2018, https://fiusrilanka.gov.lk/docs/Rules/2018/2053_20/2053_20_E.pdf, accessed on 09 August 2024.

³¹² Central Bank of Sri Lanka, Press Release: Asia Pacific Group on Money Laundering Visit to Sri Lanka – Mutual Evaluation Preparation Briefing and Workshop -6th to 8th September 2023 (September 2023), https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20230915_asia_pacific_group_on_money_laundering_visit_to_sri_lanka_mutual_evaluation_preparation_briefing_and_workshop_6th_to_8th_September_2023_e.pdf, accessed on 4 January 2025.

³¹³ The Asia/Pacific Group on Money Laundering, September 2015, Anti-money laundering and counter-terrorist financing measures - Sri Lanka - Mutual Evaluation Report, <https://www.fatf-gafi.org/content/dam/fatf-gafi/fsrb-mer/APG-Mutual-Evaluation-Report-Sri-Lanka-2015.pdf>, accessed on 11 August 2024.

have been fully addressed, some addressed jointly with other supervisors, and some partially addressed.

Primarily, deficiencies identified with regard to the ways in which the FIU utilizes and analyses information and resources and carries out supervision have been addressed at certain stages since the 2015 APG Report. However, the FIU notes that several amendments to existing laws, as well as the introduction of new legislation, are anticipated in the future.³¹⁴ This includes an amendment to the Companies Act No.7 of 2007 to encompass provisions on Beneficial Ownership, revisions to the Trust Ordinance No. 9 of 1917 to address certain aspects of Beneficial Ownership, and the proposed Proceeds of Crime law aimed at addressing deficiencies in current legislation related to predicate offenses, the absence of confiscation measures, and the lack of established and accountable mechanisms or authorities for the protection, preservation, and management of seized or frozen proceeds of crime, among other lacunas.

To fill the void of both a comprehensive legal framework on Beneficial Ownership and a Beneficial Ownership Registry, the FIU in 2016 has issued the ‘Financial Institutions (Customer Due Diligence) Rules’³¹⁵ stipulating provisions for financial institutions to take appropriate measures to identify and verify the natural person(s) who are the ultimate “beneficial owners” of a customer that is a legal person or legal arrangement, as well as the ‘Guidelines on Identification of Beneficial Ownership for Financial Institutions’ in 2018³¹⁶ to supplement the 2016 Rules. According to the FIU, compliance with the Rules and the Guidelines varies at different levels, as it is contingent on individual customers and differs from one customer to another. The fact that the Companies Act of Sri Lanka does not recognize the concept of ‘Beneficial Ownership’ has been a longstanding concern, which is currently rectified to a certain extent by the rules and guidelines issued by the FIU. However, the need for a comprehensive law and a publicly accessible Beneficial Ownership Registry remains imperative.

A beneficial ownership register is crucial for Sri Lanka in mitigating conflicts of interest and enhancing transparency, particularly in financial transactions and in efforts to recover stolen assets. By providing a clear and accessible record of the real individuals who own or control companies, the register would enable regulatory and law enforcement authorities to trace and reclaim assets hidden behind complex structures. An amendment to the Companies Act

³¹⁴ Key Informant Interviewee – Official (Anonymity requested), FIU, 30 July 2024.

³¹⁵ Financial Intelligence Unit of Sri Lanka, 2016, Financial Institutions (Customer Due Diligence) Rules, No. 1 of 2016, https://fiusrilanka.gov.lk/docs/Rules/2016/1951_13/1951_13_E.pdf, accessed on 09 August 2024.

³¹⁶ Central Bank of Sri Lanka, 2018, Guidelines on Identification of Beneficial Ownership for Financial Institutions, <https://fiusrilanka.gov.lk/docs/Guidelines/2018/Guideline-04-2018.pdf>, accessed on 09 August 2024.

No. 7 of 2007 in Sri Lanka is expected to establish a beneficial ownership registry in Sri Lanka.³¹⁷

Upon reviewing the gazetted Bill to amend the Companies Act, TISL noted several concerns that need to be addressed before the Bill is enacted. A significant issue lies in the exemption mentioned in Paragraph 10 of Clause 130A, which excludes offshore companies incorporated outside Sri Lanka and/or overseas companies from disclosing beneficial ownership information. This exemption poses a serious risk by creating a loophole that could be exploited to establish shell companies, facilitating money laundering and tax evasion. This lack of transparency is particularly concerning in the context of conflicts of interest, as it opens the door for hidden personal interests to influence decision-making processes that affect the public, without proper oversight.

To address this issue, it is crucial that the provisions of the amendment apply uniformly to all companies, including offshore entities incorporated outside Sri Lanka and overseas companies registered, regardless of their beneficial ownership registration requirements in their countries of incorporation. Furthermore, the Bill currently lacks clear guidelines on what constitutes a 'full statement' of beneficial ownership. Without a defined framework, there is a risk that beneficial owners could avoid providing sufficient information about the extent of their control within a company. Additionally, the current penalty of up to one million rupees (around 3340 USD) or ten years' imprisonment is not strong enough to deter non-compliance, which could lead to ongoing non-compliance and insufficient enforcement. Strengthening these provisions is essential to ensure the effectiveness of the beneficial ownership register and to safeguard against the misuse of corporate structures for personal gain at the expense of the Sri Lankan public.

Similarly, the Proceeds of Crime law is a crucial and long-awaited legal framework in Sri Lanka which was prompted by a resounding demand from the people of Sri Lanka during the citizen uprising 'Aragalaya' movement in 2022 for the recovery of stolen assets. The process of asset recovery is complicated and includes complex steps such as; identification and trace of assets, freezing and confiscation of assets, and recovery and return of such assets to their rightful owner. This requires competent and independent authorities with commitment and coordination at both national and international levels, supported by effective and stringent legislation, which would enable the authorities to take the necessary action in the recovery of stolen assets.³¹⁸

³¹⁷ Lanka Law, New Bill for the Amendment of the Companies Act, <https://lankalaw.net/2024/12/28/new-bill-for-the-amendment-of-the-companies-act/>, accessed on 30 December 2024.

³¹⁸ Daily Mirror, May 2022, Recovery of Stolen Assets – Part I, <https://www.dailymirror.lk/opinion/RECOVERY-OF-STOLEN-ASSETS-Part-I/231-236716>, accessed on 30 August 2024.

With the new ACA of 2023 providing for offences under the Prevention of Money Laundering Act, No. 5 of 2006 and empowering the CIABOC to share information relevant to any investigation with any local law enforcement authority or any other government authority, Sri Lanka's FIU and the CIABOC coordinate to exchange information on investigations and prosecutions of money laundering, bribery or corruption, and other related offences, giving effect to the relevant legal provisions.³¹⁹

Additionally, under the FTRA, the FIU is empowered to enter Memoranda of Understanding (MoU) with any national government institution to exchange information. Since 2008, the FIU has signed 44 MoUs with foreign counterparts as well as 13 MoUs with domestic government agencies in order to exchange information and enhance the country's AML/CFT framework. The FIU has recently signed a MoU with the CIABOC facilitating information exchange and collaboration between the two institutions for the prevention, detection and prosecution of money laundering and other related offences.³²⁰

Additionally, CIABOC has established a new Money Laundering Investigation Unit to investigate allegations of money laundering, following its mandate under the ACA. This unit primarily engages in investigating and prosecuting all money laundering complaints connected to bribery, corruption or the acquisition of illegal assets. The Unit had reportedly 20 active cases at the time of writing this report, and it was disclosed that several officers serving at the Commission have been assigned to this new unit, with plans to recruit external experts in the future.³²¹

Sri Lanka's Criminal Investigation Department (CID) also plays a significant role in handling STRs to combat money laundering, terrorist financing, and financial crimes. The CID operates in collaboration with the FIU and assists with investigations on STRs referred by the FIU, especially those related to money laundering, financial fraud, and terrorist financing.

CID identifies specific institutional gaps such as the lack of competence and technical knowledge of the officers of the CID, and the lack of adequate laws stipulating clear provisions on safeguarding and mobilizing junior police officers as well as provisions addressing outsourcing of technological support, especially to assist in cases of money laundering and terrorist financing. Moreover, the officers of the CID currently receive training only on AML and CFT, but not on anti-corruption laws and their implementation. This gap is problematic, as CID officers must be well-equipped to identify and address corruption-related offences during the course of investigations. In order to fully capacitate and enhance the effectiveness of their work, CID officers should receive comprehensive training on anti-corruption laws,

³¹⁹ Anti-Corruption Act No.9 of 2023, Section 62(2).

³²⁰ Key Informant Interviewee – Official (Anonymity requested), CIABOC, 12 August 2024 ; Economy Next, June 2024, Sri Lanka FIU links up with bribery commission, <https://economynext.com/sri-lanka-fiu-links-up-with-bribery-commission-168888/>, accessed on 23 August 2024.

³²¹ Key Informant Interviewee – Official (Anonymity requested), CIABOC, 12 August 2024.

investigative techniques, and enforcement mechanisms, ensuring they can accurately identify and act upon instances of corruption when exercising their duties.³²²

In the absence of a comprehensive law on recovery of assets/proceeds of crime, CID identifies several lacunae in the prevailing AML/CFT legal framework, leading to challenges in effective implementation of the laws. Notably, the lack of provisions outlining mechanisms for the management of frozen assets recovered from a suspect, coupled with the inadequate validity period of freezing orders (limited to two years) are reported to present significant challenges, especially given that inquiries often extend beyond two years to conclude, and it becomes necessary to seek extensions for freezing orders to ensure continued preservation of assets until the inquiry is concluded. Another key shortcoming in these domestic legislations is the lack of explicit regulations concerning the use of Bitcoins, for financial transactions. The laws do not stipulate whether these mechanisms are legal or prohibited, leaving a regulatory gap that leads to practical issues during investigations. Furthermore, regarding information-sharing among relevant authorities handling cases of money-laundering, Sri Lanka Customs reportedly indicates delays and inadequacies in information-sharing, despite a willingness to coordinate. Additionally, the Inland Revenue Department (IRD), which possesses valuable information that could assist law enforcement authorities in investigations, is not legally mandated to share such information. As a result, the IRD refrains from providing necessary information, creating further obstacles to effectively carry out investigations.³²³

Despite this institutional and legal preparedness, the level of implementation, however, warrants further improvement and encouragement, especially as Sri Lanka awaits the 3rd FATF Mutual Evaluation,³²⁴ which was scheduled to commence in March 2025, however has recently been postponed by one year reportedly due to the two national elections held last year (2024) and has therefore been rescheduled to commence in March 2026.³²⁵ In preparation, Sri Lanka's FIU invited a high-level delegation from the Asia Pacific Group on Money Laundering (APG) to Sri Lanka in 2023, to provide crucial insights ahead of the mutual evaluation of Sri Lanka's AML/CFT framework. The country is actively engaging 24 stakeholders in this effort, coordinated by the FIU, in order to achieve technical compliance

³²² Key Informant Interviewee – Official (Anonymity requested), CID, 8 November 2024.

³²³ Key Informant Interviewee – Official (Anonymity requested), CID, 8 November 2024.

³²⁴ The Financial Action Task Force mutual evaluations are in-depth country reports analysing the implementation and effectiveness of measures to combat money laundering, terrorist and proliferation financing. The reports are peer reviews, where members from different countries assess another country. Available on <https://www.fatf-gafi.org/en/topics/mutual-evaluations.html>, accessed on 31 January 2025.

³²⁵ Economy Next, January 2024, Sri Lanka's anti-money laundering, terrorism financing evaluation postponed by 1 year, <https://economynext.com/sri-lankas-anti-money-laundering-terrorism-financing-evaluation-postponed-by-1-year-198840/>, accessed on 31 January 2025.

with FATF's 40 Recommendations and ensure effective and positive outcomes in its evaluation.³²⁶

Good practices

- A National Risk Assessment is conducted once every three years.
- The responsibility to investigate into the key predicate offences specified under the Money Laundering Act of 2011³²⁷ were exclusively conducted by the Criminal Investigations Department. However, in 2024, this responsibility was decentralized and the Divisional Crime Investigation Bureau, a special unit operating within divisional police stations, is now authorized to conduct money-laundering investigations.

Deficiencies

- Absence of a Beneficial Ownership Registry and lack of a comprehensive law on Beneficial Ownership.
- The FIU's lacks effective access to police criminal record data, and although access has since been granted, the database remains non-computerized. This severely limits the FIU's ability to effectively cross-reference STRs.
- Lack of coordination among authorities to exchange information which could assist money-laundering investigations.
- Lack of legislative provisions mandating the Inland Revenue Department to share information to assist money-laundering investigations.
- Lack of training for police officers handling money-laundering cases.

4.3 Statistics

Varying statistics were received from the three authorities listed below – the Criminal Investigation Department (CID), the Attorney General's Department, and the Financial Intelligence Unit (FIU). This highlights a lack of coordination among the relevant agencies and the absence of a centralized system for recording and managing information related to money-laundering investigations.

Criminal Investigations Department (CID)

Money Laundering

Reporting/Intelligence Phase	Year:	Year:	Year:	Year:
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³²⁶ The Island, September 2023, CBSL underscores importance of SL committing to anti-money laundering measures, <https://island.lk/cbsl-underscores-importance-of-sl-committing-to-anti-money-laundering-measures/>, accessed on 31 January 2025.

³²⁷ Financial Intelligence Unit of Sri Lanka, Prevention of Money Laundering (Amendment) Act, No. 40 of 2011, <https://fiusrilanka.gov.lk/docs/ACTs/MLAmendment/Act40E.pdf>, accessed on 31 January 2025.

	2020	2021	2022	2023
Number of Suspicious Transaction Reports (STRs) filed by each category of obliged entities: <ul style="list-style-type: none"> - Banks and financial institutions - Non-financial businesses and professions (NFBPs) 	224 1	228	126	13
Number of postponement orders adopted on reported transactions	1	-	-	-
Number of money laundering investigations carried out independently by law enforcement agencies (without a prior STR)	35	44	2	-
Number of suspicious cash activities at the border reported to the FIU (including those based on declarations and smuggling)	14	10	2	-
Number of STRs sent to law enforcement and on which further analysis was made	-	-	-	-
Number of staff dedicated full-time (or full-time equivalent) to money laundering in the FIU	53	48	48	46

Investigation Phase	Year: 2020	Year: 2021	Year: 2022	Year: 2023
Number of cases initiated by law enforcement agencies on the basis of STRs sent by the FIU	203	235	23	13
Number of staff dedicated full-time (or full-time equivalent) to money laundering in law enforcement agencies	53	48	48	46
Number of cases brought to prosecution: originating from STRs, CTRs and independent law enforcement investigations	1	8	4	2

Judicial Phase	Year: 2020	Year: 2021	Year: 2022	Year: 2023
Number of staff dedicated full-time (or full-time equivalent) to investigating money laundering in the judiciary	-	-	-	-

Number of persons/legal entities convicted for money laundering offences	-	-	1	1
Number of convictions for laundering proceeds of crimes committed abroad	-	-	-	-
Number of convictions for crimes other than money laundering originating from STRs	-	-	1	-
Number of sentences by type for money laundering offences	-	-	Fine	Imprisonment
Number of unsuspended custodial sentences by length (as principal offence, as predicate offence)	-	-	-	5 Years

Asset Recovery

Judicial Phase	Year: 2020	Year: 2021	Year: 2022	Year: 2023
Number of freezing procedures (based on a court order)	16	4	2	4
Number of confiscation procedures	-	-	-	-
Number of requests received for freezing orders from another country	-	-	-	-
Value of frozen assets	LKR 172M USD 569,444	LKR 16M USD 53,281	LKR 1.36M USD 4,528	LKR 1B 53.36M USD 177,693
Number of requests received for confiscation orders from another country	-	-	-	-
Value of confiscated assets	-	-	-	-
Amounts recovered from assets	-	-	-	-
Amounts returned	-	-	-	-

Source: Criminal Investigations Department, Sri Lanka³²⁸

Attorney-General's Department

³²⁸ Key Informant Interviewee – Official (Anonymity requested), CID, 8 November 2024.

Money Laundering

Investigation Phase	Year: 2020	Year: 2021	Year: 2022	Year: 2023
Number of cases brought to prosecution: originating from STRs, CTRs and independent law enforcement investigations (picture)	6	19	18	57

Judicial Phase	Year: 2020	Year: 2021	Year: 2022	Year: 2023
Number of persons/legal entities convicted for money laundering offences	0	0	1	1
Number of unsuspended custodial sentences by length (as principal offence, as predicate offence)	0	0	0	0

Asset Recovery

Judicial Phase	Year: 2020	Year: 2021	Year: 2022	Year: 2023
Number of freezing procedures (based on a court order)	18	26	22	33

Source: Attorney General's Department, Sri Lanka³²⁹

Financial Intelligence Unit (FIU)

Asset Recovery

Judicial Phase	Year: 2020	Year: 2021	Year: 2022	Year: 2023
Number of freezing procedures (based on a court order)*	25	14	14	10
Number of confiscation procedures	-	-	-	-
Number of requests received for	No such request has been received by the FIU, Sri Lanka			

³²⁹ Information obtained in response to Right to Information request dated 10 December 2024.

freezing orders from another country				
Value of frozen assets**	LKR 266,330,468 USD 771	LKR 156,500,223 USD 12,199	LKR 96,173,998 USD 198	LKR 1,923,316,037 USD 333
Number of requests received for confiscation orders from another country	No such request has been received by the FIU, Sri Lanka			
Value of confiscated assets	N/A			
Amounts recovered from assets	N/A			
Amounts returned	N/A			

Source: Financial Intelligence Unit, Sri Lanka³³⁰

*The value mentioned under ‘Number of freezing procedures (based on a court order)’ row represents the number of suspension orders extended by the High Court of the Western province holden in Colombo, in terms of Section 15(3) of the Financial Transactions Reporting Act, No.6 of 2006 (FTRA).

** The value mentioned under ‘Value of Frozen Assets’ row represents the total value of suspended accounts extended by the High Court of the Western Province holden in Colombo, during the year as per Section 15(3) of the FTRA.

4.4 Short analysis

Between 2020 and 2023, Suspicious Transaction Reports (STRs) in Sri Lanka were overwhelmingly filed by banks, with non-financial businesses contributing virtually none. STR volumes peaked around 2021 before declining, a trend that could reflect either a genuine reduction in suspicious activity or, more worryingly, weakening incentives for reporting. Over the same period, the Financial Intelligence Unit’s (FIU) staffing fell from 53 full-time equivalents in 2020 to 46 in 2023, eroding its analytical capacity just as certain STR categories tapered off. Notably, independent law enforcement investigations initiated without prior STR referrals jumped from 35 in 2020 to 44 in 2021, then collapsed to just 2 in 2022 and none in 2023 - pointing to a sharp retreat in proactive financial-crime probes. Border cash reports

³³⁰ Information obtained in response to Right to Information request dated 8 November 2024.

followed a similar trajectory, dwindling from 14 in 2020 to zero by 2023, suggesting either improved border controls or diminishing oversight at entry points.

Law-enforcement follow-through on FIU referrals has weakened markedly. Cases initiated by authorities based on FIU STRs rose from 203 in 2020 to 235 in 2021 but plummeted to 23 in 2022 and just 13 in 2023, despite ongoing filings. Prosecutions directly linked to STRs, or Currency Transaction Reports (CTRs) have remained very low, peaking at 8 in 2021 before falling back to 2 by 2023. Contrastingly, the Attorney-General's Department saw a surge in prosecutions, rising to 57 in 2023 from only 18 in 2022, indicating a recent but possibly isolated push to act on financial-crime referrals.

Judicial success against money laundering has been scant. The first convictions appear only in 2022 (one conviction) and 2023 (one conviction), with custodial sentencing likewise minimal – one unsuspended five-year prison term recorded in 2023. This underscores a persistent gap between the volume of investigations and the achievement of convictions that would serve as credible deterrents.

Asset-freezing tools have been used variably across agencies. Under the Criminal Investigations Department, freezes numbered 16 in 2020 before dipping and rebounding slightly to 4 in 2023. The FIU's freezes declined in count from 25 in 2020 to 10 in 2022, yet the total value of frozen assets soared from roughly LKR 96 million (USD 319,688) in 2022 to over LKR 1.9 billion (USD 177,693,069) in 2023 – indicating a shift toward targeting higher-value cases. The Attorney-General's Department registered a steady increase in freezes, from 18 to 33 over the same period. However, actual confiscations and recoveries remain virtually non-existent across all agencies, pointing to a critical disconnect between freezing assets and securing their forfeiture.

Overall, the data reveals that Sri Lanka's anti-money-laundering regime maintains strong early-warning mechanisms through STR filings and freezing powers, but falters dramatically in investigation, prosecution, conviction, and recovery stages.

V. Recent Developments

The Proceeds of Crime Bill – The framework for the draft law was initially published on 10 April 2024 by the Drafting Committee appointed by the then Minister of Justice. This was a commitment made by the then Government of Sri Lanka under the IMF agreement. Although the law was originally scheduled for enactment in April 2024, the deadline was later extended to November 2024. However, due to the Presidential and General Elections in September and November 2024, respectively, the process was further delayed.

Following the publication of the draft law framework in April 2024, TISL reached out to both the Ministry of Justice and the Drafting Committee and was provided the opportunity to present concerns and recommendations for improving the draft. Both authorities welcomed TISL's feedback, and after the Bill was published in the Government Gazette on September 10, 2024, the Drafting Committee approached TISL once again for further input. This request followed the directive of the new government, which assumed office on September 21, 2024, instructing the Committee to reconvene and revise the Bill for republication in the Gazette. The newly elected government has now endorsed the revised Bill and intends to enact it within the first quarter of 2025.³³¹

Amendment to the National Audit Act – Along with the Proceeds of Crime Bill, the amendments to the National Audit Act are set to be introduced within the first quarter of 2025.

Procurement Guidelines and Manual of 2024 for Goods, Works and Non-Consulting Services³³² – A highly anticipated framework, addressing the need for an updated set of Guidelines and a Manual, as the prevailing framework dates back to 2006. The enactment of a Procurement law is expected. TISL filed a Fundamental Rights Petition in the Supreme Court, challenging the Procurement Guidelines and Procurement Manual (2024) issued by the NPC.³³³ The petition raises concerns about the lack of transparency in the new guidelines, particularly regarding the lack of regulation of unsolicited proposals, deviations from international best practices, and the absence of adequate public oversight. Key issues include the increased threshold for publishing contract awards, weak safeguards against abuse in urgent procurements, and the lack of a centralized electronic system for procurement transparency. These deficiencies create risks of corruption, favouritism, and misallocation of

³³¹ Daily Mirror, December 2024, Legislations soon to recover stolen assets, deter money laundering: Justice Minister, <https://www.dailymirror.lk/breaking-news/Legislations-soon-to-recover-stolen-assets-deter-money-laundering-Justice-Minister/108-297359>, accessed on 6 December 2024.

³³² National Procurement Commission, 2024, Procurement Guidelines for Goods, Works and Non-Consulting Services, <https://nprocom.gov.lk/guidelines/>, accessed on 2 January 2025.

³³³ TISL, 2024, TISL Challenges Procurement Guidelines and Procurement Manual (2024) in Supreme Court, February, <https://www.tisrilanka.org/tisl-challenges-procurement-guidelines-and-procurement-manual-2024-in-supreme-court>, accessed on 5 February 2025.

public funds, ultimately undermining fair competition and government accountability. The case is currently ongoing.

National Anti-Corruption Action Plan 2025-2029 – CIABOC, spearheading this initiative, has consulted the general public, including the public and private sectors, civil society organizations, mass media, youth and children, among other audiences, to receive their views and suggestions to develop this plan.³³⁴ .

³³⁴ CIABOC, 2024, The First Phase Launched to Gather Views and Suggestions for the “National Anti-Corruption Action Plan 2025-2029”, <https://ciaboc.gov.lk/component/content/article/115-national-action-plan-2025-2029/news/1289-the-first-phase-launched-to-gather-views-and-suggestions-for-the-national-anti-corruption-action-plan-2025-2029?Itemid=437>, accessed on 7 January 2025.

VI. Recommendations

1. Ensure accountable, merit-based, and politically resistant governance, by empowering the Public Service Commission (PSC) through comprehensive institutional reforms:
 - a. Reform legal frameworks to ensure uniform enforcement of ethical and legal standards applying to high-ranking officials across all levels of public service;
 - b. Reform institutional frameworks to grant the PSC clear authority to monitor and enforce compliance of Establishments Code and PSC Rules, eliminating political barriers such as the requirement for Cabinet approval in merit-based appointments and removals.
2. Conduct a targeted need-assessment to determine the Ombudsman's distinct role within Sri Lanka's broader accountability framework, identifying gaps and overlaps with other institutions:
 - a. Use assessment findings to clearly define the office's mandate and functions in relation to administrative justice and grievance redress;
 - b. Align financial and human resource allocation based on evidence of actual demand, scope of work, and potential impact;
 - c. Ensure any future institutional strengthening is based on this assessment to ensure strategic, cost-effective investment.
3. Introduce a uniform conflict of interest policy and a centralized system to track or report the number of conflicts reviewed by management committees and their outcomes. Ensure effective enforcement of the Anti-Corruption Act (ACA) to verify submission of asset declarations and enforce penalties for non-compliance.
 - a. Clearly define the terms "private interests," "public duty," or the vague term "anything" in the Establishments Code, where public officials are directed to "not do anything which will bring his private interests into conflict with his public duty, or which compromises his office";
 - b. Develop comprehensive legal framework that explicitly address conflicts of interest that includes clear enforceable guidelines on how public officers should manage such situations through disclosure and recusal.
4. Address the respective conflicts of interest involving the Attorney General and the Central Bank of Sri Lanka, as outlined in this report.
 - a. Create a constitutionally independent office of Public Prosecutions, separate from the Attorney General's Department, to ensure impartiality especially in prosecuting high-level corruption and political misconduct, particularly in cases involving state officials and institutions.
 - b. Reform the governance structure of the Central Bank of Sri Lanka (CBSL) to divest it of responsibilities related to managing the Employees' Provident Fund (EPF) and involvement in taxation schemes, thereby eliminating conflicts of interest and improving financial accountability and oversight.
5. Enable better monitoring and scrutiny of asset declarations:

- a. Establish a centralised electronic system to submit Declaration of Assets and Liabilities in machine-readable formats, with open public access without excessive barriers;
 - b. Comply with the Anti-Corruption Act's provisions on redactions, ensuring vital information in asset declarations, such as the date of opening bank accounts, account balances and names of children, is publicly accessible;
 - c. Effectively apply sanctions for non-submittal of information or wrong information.
6. Improve political finance transparency:
- a. Broaden the Election Commission's auditing powers and enforcement capabilities; bolstering enforcement mechanisms, and streamlining financial processes, allowing for real-time monitoring of campaign finances;
 - b. Strengthen the oversight of campaign donations in a timely manner;
 - c. Provide adequate resources for independent monitoring;
 - d. Make legal reforms to ensure consistency in candidate compliance and increasing penalties such as the three-year disqualification period to five years to align it with the electoral cycle and strengthen its deterring effect;
 - e. Develop and implement a robust political financing law to ensure continuous monitoring of political party funding, donations to politicians, and contributions from private sector entities. This framework should mandate regular public disclosure of all political income and expenditure, set clear limits on donations, and empower independent oversight.
7. Amend the Companies Act No.7 of 2007 to include provisions on beneficial ownership and to introduce and maintain a Beneficial Ownership Registry using timely, verified information in open data format, which is openly accessible free of charge.
8. Strengthen access to information and participation in society in practice:
- a. Adequately resource the Right to Information Commission, so it can operate effectively in monitoring, enforcing and supporting proactive information disclosure requirements by public authorities;
 - b. Raise public awareness on the right to access information, both reactive and proactive disclosure;
 - c. Enforce disclosure and record-keeping requirements of public authorities more strictly, ensuring they comply with the law in managing records appropriately and publishing relevant information in English, Sinhala and Tamil;
 - d. Enforce strict compliance with RTI timelines and limit misuse of exemptions by mandating detailed justifications for refusals, strengthening oversight by the RTI Commission, and penalising willful non-compliance.
 - e. Strictly enforce non-compliance penalties for offences under the RTI Act by ensuring that sanctions for wilful failure to provide information, providing false

information, or neglecting disclosure obligations under the Act are consistently applied.

- f. Ensure the RTI Commission with greater investigative and enforcement authority, including the ability to impose fines and refer cases for disciplinary or legal action, to establish a credible deterrent against non-compliance by public authorities.
 - g. Develop a centralized mechanism to publish draft laws and upcoming policy changes, invite public input with adequate time, and collect feedback through a standardized, accessible process.
9. Strengthen the full and complete independence of the judiciary by:
- a. Introducing a code of judicial conduct for judicial officers (Best practice model: Bangalore Principles of Judicial Conduct);
 - b. Introducing and conducting judicial audits to assess the quality of judgements to ensure transparency, accountability and impartiality;
 - c. Amending parliamentary privileges to allow attempted political interference and influence on the operations and decisions of the judiciary to be recognized as an offence, with strict penalties imposed.
 - d. Introducing basic Key Performance Indicators (KPIs) for the judiciary and provide continuous capacity development.
10. Enhance the prosecution's independence and capacity by:
- a. Introducing a code of conduct for prosecutors (Best practice model: Guidelines for Crown Prosecution Services) and ensure that prosecutors are afforded sufficient training;
 - b. Establishing an independent office for public prosecutions separate from the Attorney General's Department;
 - c. CIABOC using its conferred powers to the maximum of their potential, including its *suo moto* powers, ensuring its proper execution and continuation, and remaining impervious to any external influence that could compromise its independence and hinder its efforts to combat corruption.
11. Strengthen the effective implementation of AML institutions and laws by:
- a. Enacting Proceeds of Crime legislation that is fully aligned with UNCAC and FATF standards.
 - b. Encouraging effective coordination among authorities to exchange information that could support investigations.
 - c. Digitize and integrate the police criminal record database into a secure, centralized system accessible to the FIU and other law enforcement authorities.
 - d. Enhance the FIU's operational analysis capabilities and support timely and effective law enforcement action on financial crimes.
 - e. Amending the Inland Revenue Act No. 24 of 2017 to mandate the IRD to share information to assist money-laundering investigations.
 - f. Introducing "anti-corruption and proceeds of crime" component in the training curriculum for police office.

VII. Annex

7.1 Table on Freedom of Information Requests

Institution	Date of request	Date of answer	Information requested	Information Provided (date)
Sri Lanka Cricket	27 th Feb 2024	04 th March 2024 - refusal	Information regarding spending during the 2022 T20 World Cup.	No - awaiting RTI Commission order.
Central Bank of Sri Lanka	25 th July 2023	20 th December 2023 – incomplete information	Information regarding using of EPF superannuation fund for domestic debt restructuring.	Yes, after multiple rounds of hearings with the RTI Commission – 23 rd Jan 2025
Legal Draftsman Department	17 th Dec 2024	23 rd Dec 2024 - refusal	Draft of the Proceeds of Crime Law in any stage of its development.	No.
Commission to Investigate Allegations of Bribery or Corruption	20 th June 2024	No response.	Information regarding number of complaints and investigations into bribery and corruption including use of Suo Moto powers.	No – hearings with RTI Commission ongoing.
Ministry of Power and Energy	04 th April 2024	15 th May 2024 - refusal	Information regarding the procurement process of Adani Group for a win power project in Sri Lanka	No – hearings with RTI Commission ongoing.
Attorney General's Department	20 th April 2023	20 th August 2023 - refusal	Information regarding the Attorney General's recommendations on the Port City Bill.	No – hearings with RTI Commission ongoing.
Ministry of Justice	17 th Dec 2024	23 rd Jan 2025 - refusal	Draft of the Proceeds of Crime Law in any stage of its development.	

Ministry of Foreign Affairs	17 th Dec 2024	No response.	Information regarding the status of 43 outstanding Asset Recovery cases discussed by Authorities at the Global Forum on Asset Recovery.	No – awaiting response from Designated Officer.
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TISL reached out to the individuals/authorities listed in the Table of “List of persons consulted” through formal correspondence, including letters and emails. However, the following authorities either did not respond to these requests or refused to participate in interviews.

Authority	Date of the letter/email	Response	Reason
Ombudsman (Parliamentary Commissioner for Administration)	15 October, 2024	Refusal	Section 6. (1) of the Parliamentary Commissioner for Administration Act, No. 17 of 198 ³³⁵
Judicial Service Commission (JSC)	15 October, 2024	Refusal	“The request seeking permission to interview a responsible officer of the JSC cannot be acceded to since JSC can consider such engagements with state entities only”
Ministry of Finance	15 October, 2024	No response received	N/A
Attorney General’s Department	21 November, 2024	No response received	N/A

³³⁵ Section 6 (Duty to maintain secrecy) (1) “The Ombudsman shall, while he holds office and after he ceases to hold office, maintain secrecy in respect of all matters that come to his knowledge in the exercise, performance and discharge of his powers, duties and functions, except for the purposes of any investigation and of any report or recommendation to be made thereon under this Act.”

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