

**Anti-Money Laundering and Countering of Terrorist Financing:  
Factors Affect to Prevent Money Laundering and Terrorist  
Financing in the Financial Institutions – Evidence from Sri Lanka  
(Western Province)**

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**Abstract**

Preventing money laundering and terrorist financing is a major national and international problem today. Several attempts have been made to prevent money laundering by national and international dimensions. These are often counteracted by the multi dynamic nature of the crimes. However, launders are often to use remittance systems to clean their ill-gotten money. This study presents the role of domestic financial institutions and the effective practices and actions that can be implement within domestic financial institutions to control and prevent financial crimes. This research highlights the progress that requires in Sri Lanka to prevent money laundering and terrorist financing, further it is an original contribution to the knowledge in an under researched field in Sri Lanka.

**Key Words:** Money Laundering, Terrorists Financing, Financial Institutions, Regulatory Bodies