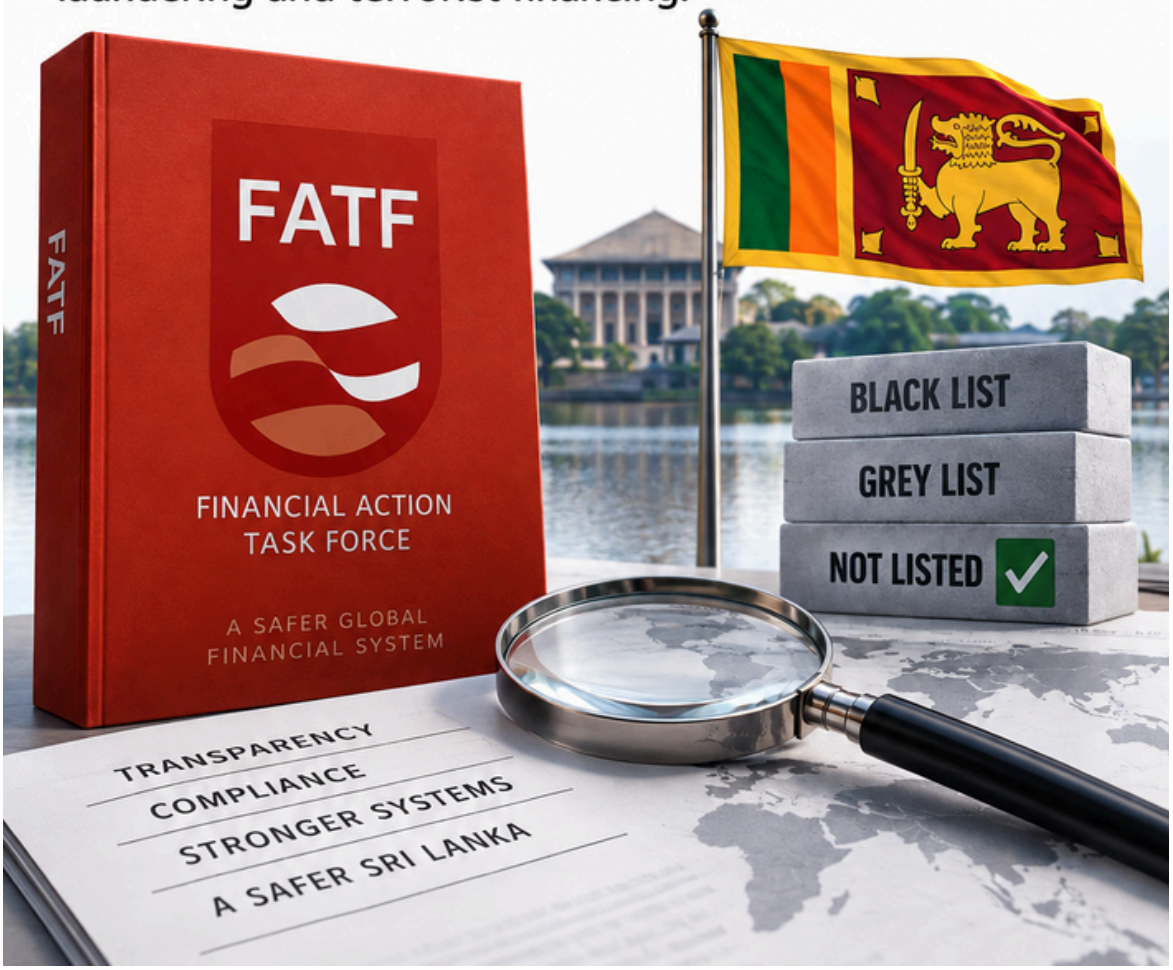
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# FATF: SRI LANKA IS NOT ON THE GREY LIST. COULD OUR OWN RULES PUT US BACK THERE?

Sri Lanka is approaching a crucial international examination of its defences against money laundering and terrorist financing.



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# FATF: SRI LANKA IS NOT ON THE GREY LIST. COULD OUR OWN RULES PUT US BACK THERE?

**Sri Lanka is approaching a crucial international examination of its defences against money laundering and terrorist financing. The country wants to demonstrate that it has learned the lessons of its previous grey-listing. But the United Nations is warning of a curious danger: in trying too hard to satisfy FATF, Sri Lanka could impose sweeping restrictions that FATF itself does not require.**

**NEWSLINE**

Sri Lanka is preparing for one of the more important examinations of its financial system since the economic crisis, and this one will not be decided by the size of the country's foreign reserves, the Budget deficit or the exchange rate. It will examine whether Sri Lanka can demonstrate that its systems for combating money laundering and terrorist financing actually work.

The country's third Mutual Evaluation is being conducted through the Asia-Pacific Group, the regional body associated with the Financial Action Task Force. The assessment looks not simply at whether Sri Lanka has laws and regulations on the books, but whether the country can demonstrate effective implementation. Sri Lanka has been through this before and knows the consequences of getting it wrong.

Sri Lanka was previously placed under increased monitoring commonly known as the FATF grey list before eventually working its way out. It is not presently on that list. The objective now must surely be to stay that way.

Yet an intriguing argument has emerged over precisely how Sri Lanka is preparing for the examination. United Nations Resident Coordinator Marc-André Franche has warned that anti-money laundering and counter-terrorism financing requirements should not become justification for blanket restrictions on Sri Lanka's civil society organisations.

His argument is particularly important because it challenges the assumption that tougher regulation automatically means better compliance.

FATF's approach to non-profit organisations has evolved significantly.

Its Recommendation 8 recognises that terrorist organisations can attempt to exploit non-profit organisations, but the revised standard rejects treating the entire non-profit sector as inherently high-risk.

It calls instead for measures that are focused, proportionate and risk-based, directed at organisations and activities where identifiable vulnerabilities exist. Put simply, find the risk and mitigate it rather than treating everybody as a risk.

That distinction matters because Sri Lanka's determination to avoid another adverse FATF outcome is entirely understandable. A country emerging from economic collapse hardly needs questions raised once again about the integrity of its financial system. International banks, investors and businesses pay attention to these assessments, and the reputational consequences can travel considerably further than the language of an evaluation report.

The Central Bank itself has been warning that legislation alone will not be enough. Central Bank Governor Dr Nandalal Weerasinghe recently highlighted what he described as an extraordinary weakness in the system: the legal profession had submitted only two Suspicious Transaction Reports during the period he identified from 2020 to 2026.

Lawyers, notaries and other designated professions have obligations within the anti-money laundering system because financial crime does not occur exclusively inside banks.

That illustrates the real challenge rather neatly. Sri Lanka can pass laws, amend Acts, create offences, increase investigative powers and produce regulations. The international examination, however, is increasingly concerned with whether those systems actually identify suspicious money, investigate it effectively and produce meaningful results.

There is therefore a danger in confusing visible regulatory toughness with effective regulation. Civil society organisations receiving legitimate foreign funding should not encounter arbitrary banking restrictions merely because foreign money is involved. Equally, describing oneself as a charity or non-profit cannot provide immunity from legitimate scrutiny where evidence indicates an actual terrorist-financing risk. Both propositions can be true simultaneously.

Sri Lanka strengthened its anti-money laundering and terrorist-financing legislation this year, including amendments to the Prevention of Money Laundering Act, the Financial Transactions Reporting Act and legislation dealing with the suppression of terrorist financing.

Those measures have strengthened the legal architecture available to investigators and regulators, but with greater power comes an equally important obligation: proportionality.

A system capable of freezing assets, examining financial transactions and restricting access to banking possesses powers that can profoundly affect individuals and organisations long before anybody is convicted of an offence.

Those powers therefore require safeguards, transparent procedures and a meaningful ability to challenge decisions. FATF itself has made an important distinction: its standards are not intended to encourage financial institutions simply to cut off entire categories of customers because they are considered inconvenient or potentially risky. The objective is to understand risk and manage it. That principle becomes particularly important when dealing with civil society. If an organisation presents a genuine terrorist-financing risk, investigate it, follow the money, require explanations and apply the law.

Freeze assets where the legal threshold is met and prosecute where the evidence supports prosecution. That is very different from constructing a regulatory system in which an entire sector is effectively required to prove its innocence simply because some organisations may be vulnerable to abuse.

This is not an argument for weaker counter-terrorist-financing or anti-money-laundering laws. Sri Lanka has ample experience demonstrating why strong ones are necessary. It is an argument for intelligent regulation that concentrates the State's considerable powers where evidence and identifiable risk justify their use.

There lies the irony. Sri Lanka is understandably anxious to demonstrate to international assessors that it has built a serious system capable of combating money laundering and terrorist financing. But if that determination produces indiscriminate restrictions, excessive compliance burdens or the financial exclusion of legitimate organisations, the country risks moving away from the very risk-based philosophy FATF now advocates.

The question therefore should not be how many organisations Sri Lanka can regulate, but whether Sri Lanka can identify the organisations, transactions and individuals that actually present a risk and act effectively against them. That is a much harder test, but it is also a considerably more meaningful one.

The Mutual Evaluation ahead is therefore about considerably more than satisfying international assessors. It will test whether Sri Lanka has built institutions capable of distinguishing genuine financial danger from perfectly legitimate financial activity. That requires strong laws, competent regulators, banks willing to ask difficult questions and professions outside the banking system prepared to fulfil their reporting obligations. It also requires judgement.

Sri Lanka has already experienced the reputational and financial consequences associated with FATF increased monitoring. Nobody should want to return there, but fear of the grey list cannot itself become the justification for indiscriminate regulation.

The real measure of a mature financial regulatory system is not how much power it possesses. It is whether that power is directed at the right people, for the right reasons, on the basis of evidence and identifiable risk. Sri Lanka does not need weaker regulation. It needs better regulation.

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# NAMAL NOW FACES TWO AIRBUS CASES. THIS IS GETTING SERIOUS.

**Namal Rajapaksa entered this week already in remand over an alleged Rs 100 million Airbus-linked bribe. He has now also been named a suspect in a separate money-laundering investigation arising from the controversial SriLankan Airlines aircraft procurement and ordered to remain in remand until September 23. Two proceedings, one enormous aircraft deal and allegations that will ultimately have to survive something considerably more demanding than a press conference: a courtroom.**

**NEWSLINE**

The legal difficulties confronting Namal Rajapaksa have moved into substantially more serious territory.

The SLPP National Organiser and Hambantota District MP was already in remand custody following his September 4 arrest by the Commission to Investigate Allegations of Bribery or Corruption over allegations that he received approximately Rs 100 million connected with the controversial SriLankan Airlines Airbus procurement.

There is now a second legal track.

Rajapaksa has been named as a suspect in a separate money-laundering investigation being pursued by the Criminal Investigation Department arising from alleged financial irregularities surrounding the same aircraft procurement. He was produced before the Colombo Fort Magistrate's Court this week and ordered to remain in remand until September 23, when the court is expected to rule on his application for bail.

The distinction between the two proceedings is important.

The CIABOC investigation concerns allegations that Rajapaksa received money connected with the Airbus transaction. The second proceeding concerns alleged money laundering and is being pursued through the CID following instructions from the Attorney General.

They arise from the same extraordinary Airbus affair, but they are not simply two descriptions of the same case.

Prosecutors have told court that evidence obtained during the investigation includes material originating from Airbus and overseas financial transactions. In the bribery proceeding, investigators have alleged that approximately €1.45 million was transferred into a Singapore account connected with Biz Solutions Inc and that US$800,000 subsequently moved to an account belonging to Sabre Vision Holdings Ltd.

Investigators allege that money was subsequently provided to Rajapaksa in Sri Lanka in a series of payments amounting to approximately Rs 100 million.

The prosecution has also referred to statements from individuals connected with Airbus and documentary material obtained during the investigation.

These remain allegations.

Rajapaksa has not been convicted of either bribery or money laundering, and remand custody must never be confused with guilt. His lawyers are entitled to challenge the evidence, question the alleged financial trail and require the prosecution to prove every necessary element of any offence eventually charged.



That is precisely why what happens next matters considerably more than the political excitement surrounding an arrest.

Sri Lanka has seen spectacular corruption allegations before. It has seen politicians summoned, questioned, arrested and photographed entering court. What it has seen considerably less frequently are complex financial investigations carried through methodically to judgments capable of surviving appeal.

The Attorney General's Department has indicated that indictments connected with the Airbus investigation will be filed without delay. If that happens, the case will move beyond investigation and remand into the considerably more consequential territory of prosecution.

The political temperature surrounding the proceedings is already high. The SLPP has portrayed the action against its National Organiser as politically motivated, while the Government insists that law-enforcement agencies are being permitted to pursue investigations without regard to political status.

Neither proposition decides the case.

Evidence does.

The Government must therefore resist the temptation to treat the arrest of a Rajapaksa as proof of its anti-corruption credentials. The Opposition must equally resist the assumption that proceedings against a political figure automatically constitute persecution.

If investigators possess the evidence they say they possess, put it before the appropriate court. If the defence can dismantle it, it must be permitted to do so.

Namal Rajapaksa now faces two legal fronts arising from one of the most controversial procurement episodes in SriLankan Airlines' history.

The important question is no longer whether a Rajapaksa can be arrested.

It is whether the evidence can withstand a trial.

# THE RAJAPAKSAS ONCE OWNED THE POLITICAL MAP. WHAT EXACTLY DO THEY OWN NOW?

**Mahinda Rajapaksa once appeared capable of transferring political power almost by inheritance. The family produced two Presidents, controlled governments and built one of the most formidable political machines in modern Sri Lanka.**

Today Namal is in remand, Gotabaya's presidency is remembered through the economic collapse that ended it, the SLPP is a shadow of the electoral force it once was and Mahinda's public political role is visibly diminished. Has Sri Lanka finally moved beyond the Rajapaksas or is writing their political obituary precisely the mistake their opponents have made before?

**NEWSLINE**

There was a period in Sri Lankan politics when asking whether the Rajapaksas had a future would have sounded faintly ridiculous.

They appeared to be the future.

Mahinda Rajapaksa emerged from the ending of the civil war in 2009 with political authority few Sri Lankan leaders had possessed. His defeat in 2015 initially appeared to have ended that era, but within a remarkably short period the Rajapaksa political machine rebuilt itself.

The comeback was extraordinary.

The Sri Lanka Podujana Peramuna was transformed into an electoral juggernaut, sweeping the 2018 local government elections before Gotabaya Rajapaksa won the presidency in 2019. The parliamentary election that followed produced an overwhelming mandate and once again placed the family close to the centre of virtually every important political decision.

Then came 2022.

Economic collapse, fuel queues, power cuts, shortages and the extraordinary public uprising fundamentally changed the political equation. Gotabaya Rajapaksa fled the country before resigning the presidency, and a family that had built much of its political appeal around strength and stability suddenly became associated by many voters with the most severe economic crisis in independent Sri Lanka.

The electoral consequences followed.

The SLPP that once dominated Parliament emerged from the 2024 general election with only a small parliamentary presence. Anura Kumara Dissanayake and the National People's Power occupied political territory that only a few years earlier would have seemed almost inaccessible to them.

Now the family faces another difficulty.

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## THE RAJAPAKSAS...

Namal Rajapaksa, the man around whom the next generation of Rajapaksa politics was expected to be constructed, is in remand custody and confronting two separate legal proceedings connected with the SriLankan Airlines Airbus procurement. Other members of the wider family have also faced investigations and court proceedings.




None of that establishes guilt, and legal allegations should not be converted into political verdicts before courts have determined them.

But politics operates on perception as well as judgments.

The Rajapaksa brand that once represented victory, authority and national security to millions of voters now carries considerably heavier baggage. For younger Sri Lankans especially, memories of 2022 may compete with and sometimes overwhelm memories of 2009.

Mahinda Rajapaksa remains the emotional centre of that political tradition.

At 80, however, his public political role is plainly not what it once was. At the recent SLPP rally in Anuradhapura he appeared on stage but did not address the gathering. It would be improper to diagnose his health from public appearances, but it is entirely legitimate to recognise the political reality that the movement can no longer assume Mahinda Rajapaksa will personally carry it indefinitely.

That leaves Namal.

At 40, he has time that his father no longer possesses. He also carries a surname that remains simultaneously his greatest political asset and potentially his greatest political liability.

The question is whether there remains a sufficiently large Rajapaksa constituency waiting to be reassembled.

Sri Lankan politics has repeatedly demonstrated that public anger can be intense without necessarily being permanent. Political parties declared finished have returned. Leaders written off have re-emerged. Mahinda Rajapaksa himself demonstrated precisely that after his 2015 defeat.

There are also conditions under which the Rajapaksa political narrative could find an audience again. If the present Government fails to deliver meaningful improvements in living standards, if economic reform becomes associated principally with taxation and austerity, or if prosecutions of former political opponents are perceived as selective rather than even-handed, the political environment could change.

That does not mean a Rajapaksa revival will occur. Nor does it mean the family has become politically irrelevant. Both conclusions go beyond what the evidence presently establishes.

What can be said is that the family no longer commands the political system it once dominated. Its electoral base has contracted dramatically, its principal younger standard-bearer is fighting serious legal proceedings and the towering personality around whom the movement was originally built cannot remain its permanent answer to the future.

The Rajapaksas therefore face a problem considerably larger than winning the next election.

They must explain what Rajapaksa politics actually means without Mahinda Rajapaksa at its centre.

Dynasties survive when the idea becomes larger than the founder.

They disappear when the founder was the idea.

## THE IMF CAN COUNT THE NUMBERS. CAN SRI LANKANS FEEL THEM?

**The IMF is back in Colombo for the seventh review of Sri Lanka's Extended Fund Facility and the 2026 Article IV consultation. Four years after economic collapse, the macroeconomic transformation is difficult to deny: reserves have recovered, debt restructuring has advanced and Government finances are considerably stronger. But there is another balance sheet that matters. It belongs to the Sri Lankan household.**

NEWSLINE

The International Monetary Fund is once again examining Sri Lanka's economic books, with discussions under the seventh review of the Extended Fund Facility taking place alongside the country's 2026 Article IV consultation.

The review comes at an intriguing moment.
By many of the conventional measurements used to judge an economy emerging from sovereign default, Sri Lanka has travelled a considerable distance. Foreign reserves have been rebuilt, debt restructuring has substantially progressed, Government revenue has increased and the primary balance has moved into surplus.

The economy itself has returned to growth after the extraordinary contraction of the crisis years.

These are not imaginary achievements and pretending otherwise serves little purpose. The Sri Lanka of 2026 is not the Sri Lanka of 2022, when fuel queues stretched for kilometres, power cuts governed daily life and usable foreign exchange had virtually disappeared.

But neither is economic stabilisation the same thing as economic recovery for everybody.

That distinction becomes increasingly important as the IMF programme approaches its final stages. Sri Lankans have absorbed higher taxation, cost-reflective electricity pricing, increased fuel costs and a range of reforms intended to repair a State that for years spent considerably more than it could sustainably afford.




Those measures helped produce the numbers the IMF is now examining.

The question is when those numbers begin producing something tangible for the people who paid for them. A primary surplus means something important to an economist. A mother deciding whether the week's money stretches to food, electricity, school expenses and medicine experiences the economy through an entirely different set of indicators.

Both measurements matter.

The Government therefore faces an increasingly delicate political challenge. It must preserve the fiscal discipline that helped restore confidence without allowing economic reform to become synonymous with permanent sacrifice.

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## THE IMF CAN...

That becomes harder when events outside Sri Lanka intervene.

Oil has moved back above US$100 a barrel as the conflict around the Strait of Hormuz disrupts shipping and threatens global energy supplies. Freight and insurance costs are increasing, while the rupee has weakened during the year.

Sri Lanka can do almost nothing about the war.

It can, however, determine how resilient the economy is when the consequences arrive.

That is precisely why abandoning fiscal discipline now would be dangerous. The reserves rebuilt during the recovery are not trophies to be displayed. They are part of the country's defence against precisely the kind of external shock now developing in the Middle East.

The same applies to Government revenue.
Sri Lanka cannot return to an economic model in which politically attractive expenditure is financed by borrowing and the consequences are left for somebody else to confront later.

But neither can policymakers hide permanently behind the IMF.

The programme exists to help Sri Lanka restore stability. It cannot decide how the benefits of that stability are distributed, which industries the country develops, where investment goes, how productivity increases or whether young Sri Lankans conclude that their future lies here rather than at an airport departure gate.

Those decisions belong to Sri Lanka.

The IMF can determine whether the arithmetic works.

The Government must now demonstrate whether the country does.

## FOUR DAYS DOWN. IS THE COLOMBO MARKET TRYING TO TELL US SOMETHING?

**The Colombo Stock Exchange has been losing ground as investors confront expensive oil, Middle East uncertainty and questions over the direction of interest rates. Four declining sessions do not make a crisis. But after a remarkable recovery in Sri Lankan assets, it is worth asking whether investors are simply taking profits or beginning to price in a more difficult world.**

**NEWSLINE**

The Colombo stock market has suddenly lost some of its swagger.

After a powerful period for Sri Lankan equities, the All Share Price Index has recorded a succession of weaker sessions, while market turnover has also shown signs of losing momentum.

Four days are not enough to declare a trend, still less a crisis.

Stock markets rise and fall for reasons that can have little to do with the underlying economy. Investors take profits, institutions rebalance portfolios and individual large transactions can move an index in ways that appear considerably more dramatic than they really are.

Nevertheless, the timing deserves attention.

Sri Lanka's financial markets are confronting an external environment that has become markedly less comfortable. Oil has climbed above US$100 a barrel as shipping through the Strait of Hormuz contracts and attacks on regional energy infrastructure increase uncertainty over supplies.




Higher petroleum prices can place pressure on inflation, the trade account and the rupee. They can also affect corporate profitability through electricity, transport, manufacturing and logistics costs.

At the same time, investors must calculate what the energy shock means for interest rates.

If higher imported energy costs begin feeding materially into domestic inflation, the Central Bank has less room to make money cheaper. Higher interest rates, or even the expectation that rates may remain elevated for longer, can make fixed-income investments relatively more attractive than shares.

Foreign investors have another calculation.

They do not merely consider whether a Sri Lankan share or Government security will rise in rupee terms. They must also consider what those rupees will be worth when converted back into dollars.

The rupee has already weakened this year.

None of this means investors are abandoning Sri Lanka.

Indeed, foreign money has been returning strongly to rupee Government securities, with thirteen consecutive weeks of net purchases recently recorded. Sri Lankan debt is also attracting renewed international attention as the country returns to global investment benchmarks.

That makes the contrast particularly interesting.

Money may not be leaving Sri Lanka. It may simply be moving around inside the opportunity Sri Lanka now represents.

The stock market itself has travelled an enormous distance from the pessimism surrounding the economic collapse. Investors who bought into that recovery have enjoyed substantial gains, making periods of profit-taking entirely unsurprising.

The danger is therefore not that the ASPI has fallen for several sessions.

The danger would be assuming that because Sri Lankan assets recovered strongly, they can only continue moving in one direction.

Markets are useful precisely because they are unsentimental.

They do not vote. They do not attend political rallies. They do not applaud Government announcements.

They continuously place a price on confidence.

Four difficult days do not tell us that confidence has disappeared.

They are simply a useful reminder that it must continually be earned.

## THE WATER IS DISAPPEARING. HOW READY IS SRI LANKA IF THE RAINS DON'T COME?

**More than 160,000 Sri Lankans are already reported to be affected by drinking-water shortages as dry conditions intensify. Reservoirs are under pressure, parts of Yala have been closed to visitors and the prospect of a powerful El Niño hangs over the months ahead. Drought does not arrive with the drama of a cyclone. It simply keeps getting worse.**

**NEWSLINE**

Sri Lanka is confronting a problem that develops slowly enough to be ignored until it becomes extremely difficult to solve.
Water.




"Questioning The Answers"

## THE WATER IS DISAPPEARING...

Prolonged dry weather has already created drinking-water shortages across several parts of the country, with more than 160,000 people reported to be affected. Water is being transported into some communities while reservoirs and other water sources come under increasing pressure.

The immediate difficulty is serious enough.

The larger concern is what happens if the expected weather pattern develops as feared and meaningful rainfall remains inadequate for an extended period.

Sri Lanka's Department of Meteorology has warned of a very high probability of a strong El Niño developing, bringing the possibility of hotter and drier conditions. Across Asia, governments are already examining the implications for water, agriculture and energy.




Sri Lanka should be doing considerably more than examining them.

Water security sits quietly underneath almost every important part of the economy. Agriculture needs it. Hydroelectricity depends upon it. Industry consumes it. Tourism cannot operate without it, and every household discovers very quickly that virtually nothing functions normally when a tap stops producing water.

The decision to restrict access to drought-affected areas of Yala demonstrates how quickly an environmental problem can become an economic one.

Tourism operators depend upon the park. Communities around it depend upon those operators. Wildlife depends upon increasingly scarce water sources inside the reserve. Then there is electricity.

Sri Lanka has been fortunate to enter the present dry period with substantially improved renewable-energy capacity and new battery-storage technology beginning to strengthen the grid.

But hydroelectric generation remains important, and prolonged depletion of reservoirs can eventually alter the generation mix.

If hydro falls, somebody must replace the electricity.

That replacement can become expensive.

The Government therefore needs to treat the present drought as a national planning exercise rather than simply a water-distribution operation. Bowsering drinking water into affected villages is necessary, but it is the response after a source has already failed.

The more important work happens before that.

Which reservoirs are approaching critical levels? Which communities are most vulnerable? How much drinking water can be transported if the affected population doubles? What contingency exists for agriculture?

What happens to hydroelectric generation if reservoir levels continue falling? Which industries would face restrictions first?

And perhaps most importantly, what is the plan if the rains simply do not arrive when Sri Lanka expects them?
Climate variability is making historical assumptions increasingly dangerous. Infrastructure designed around yesterday's rainfall cannot automatically be expected to cope with tomorrow's weather.

Sri Lanka knows what happens when a foreseeable problem is treated as tomorrow's problem.
In 2022 it was foreign exchange. In 2026, we should make certain it is not water.

## PROVINCIAL COUNCILS: ANOTHER COMMITTEE. ANOTHER EXTENSION. WHEN DO WE ACTUALLY VOTE?

**Sri Lanka's Provincial Councils have operated without elected representatives for years. Now Opposition members have resigned from the Parliamentary Select Committee examining the electoral system after its deadline was extended until December. Everyone appears to agree that elections should return. Somehow, the election itself keeps moving further away.**

**NEWSLINE**

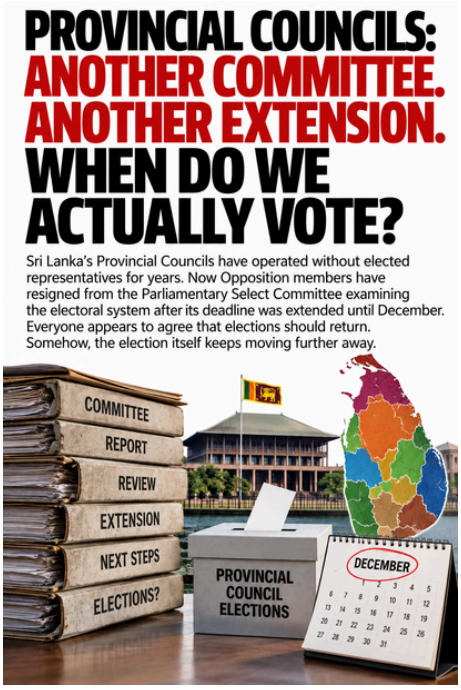
There are Sri Lankan voters who have now gone so long without voting for a Provincial Council that the absence of elections has almost begun to appear normal.
It should not.

The country's nine Provincial Councils have been functioning without elected representatives since their terms progressively expired between 2017 and 2019. Administration has continued through Governors and officials while the democratic component of the system has remained suspended.

Another attempt to resolve the electoral impasse is now generating controversy.

Opposition representatives serving on the Parliamentary Select Committee appointed to examine the Provincial Council electoral system have resigned after the committee's timeframe was extended until December 17.

Their complaint is straightforward: another extension means another delay in creating the mechanism necessary to return Provincial Councils to elected government.




The argument surrounding Provincial Councils themselves is considerably older.

Sri Lanka has debated the effectiveness, expense and constitutional purpose of the provincial system almost from the moment it was created under the 13th Amendment. There are perfectly legitimate arguments about whether devolution works, whether powers should be changed and whether the structure provides value for the enormous administrative machinery it requires.

But those arguments are different from whether elections should be held.

If Provincial Councils remain part of Sri Lanka's Constitution and continue to exercise governmental functions, leaving them indefinitely without elected representatives creates a democratic anomaly that becomes harder to defend with every passing year.

The original electoral difficulty arose after changes to the voting system and the subsequent failure to complete the delimitation process necessary to make the new arrangements operational.

What followed has been a remarkable demonstration of political procrastination.

Governments changed.

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## PROVINCIAL COUNCILS...

Presidents changed. Parliaments changed. Committees were appointed, proposals discussed and promises repeatedly made.
The Provincial Council voter remained exactly where he was.

Waiting.

There are arguments for returning temporarily to the previous proportional representation system in order to hold elections without waiting for the unresolved new system. Others want the new mixed electoral arrangement completed before the country votes again.

That is precisely the kind of disagreement Parliament exists to resolve.

What becomes increasingly difficult to justify is allowing disagreement over how people should vote to become the reason they do not vote at all.

The issue carries particular significance in the North and East, where Provincial Councils remain intertwined with the much larger debate over devolution, reconciliation and the implementation of the 13th Amendment.

Tamil political parties have again been calling for Provincial Council elections and a meaningful settlement of questions surrounding devolution. Repeated delay therefore carries political consequences extending considerably beyond local administration.

The Government has promised a different political culture.

This is an opportunity to demonstrate it.

Settle the electoral system. Publish the timetable. Pass whatever legislation is necessary and allow the Election Commission to do what an Election Commission exists to do.

Let the people vote.

Sri Lanka has spent years discussing how Provincial Councils should be elected.

Perhaps it is time to remember that the important word in that sentence is elected.

## TWO CHILDREN DIED. NOW POLICE SAY THEY HAVE THE MEN.

**The grenade attack in Dehiwala that killed two children shocked Sri Lanka. Police now say three suspects, including the alleged principal attacker, have been arrested. An arrest is not a conviction, but the investigation has moved significantly forward. The next question is the most important one: why were children caught in what investigators believe was organised criminal violence?**

**NEWSLINE**

The investigation into the grenade attack in Dehiwala that killed two children has taken a significant turn, with police reporting the arrest of three suspects including the man alleged to have carried out the attack.

NEWSLINE reported the original incident when the deaths of the children brought home, with particular brutality, the consequences of organised criminal violence spilling into ordinary communities. This is therefore not another account of the attack but an examination of where the investigation has moved since.

Police believe the grenade was thrown as part of a criminal dispute and that the children were not the intended targets. If that account is eventually established, it makes their deaths no less terrible and perhaps even more senseless. Two children would have died because somebody else's dispute apparently reached the point where a grenade became an acceptable instrument for settling it.

The arrests now place a greater responsibility on investigators to move beyond identifying the alleged physical participants and establish the entire chain behind the attack. Who ordered it, what was the intended target, where did the grenade originate, was anybody paid and were others involved in planning, financing or facilitating what happened?

There is a larger issue here that extends beyond Dehiwala. Sri Lanka has spent years confronting organised crime, contract killings and underworld networks whose operations increasingly demonstrate access to firearms and other weapons. A grenade is not an improvised knife or something casually purchased over a counter; it is a weapon manufactured principally for warfare.

When one appears in an urban criminal dispute, the State should be interested not merely in the person alleged to have thrown it but in every hand through which it passed before reaching him.

Arresting an alleged gunman or attacker deals with the final link in what may be a considerably longer chain. Somebody supplies the weapon, somebody transports it, somebody finances the operation and somebody decides who is to be attacked. An investigation capable of travelling through that chain is considerably more valuable than one which ends with the person alleged to have carried out the final act.

The suspects are entitled to the presumption of innocence and the allegations against them will ultimately require proof before a court. That principle should remain intact regardless of the horror surrounding the crime. The strength of the justice system is demonstrated precisely by its ability to prosecute the most disturbing allegations without abandoning the standards it expects everybody else to observe.

The deaths of two children should nevertheless make this investigation about considerably more than another entry in Sri Lanka's organised-crime statistics. If police can establish where the weapon originated, who commissioned the attack and how the operation was organised, the investigation may expose something more important than the identities of the alleged attackers.

Police may now have some of the men they believe were responsible. Sri Lanka still needs the rest of the chain.

## THE UNIVERSITIES HAVE VACANCIES. WHY HAVEN'T THEY FILLED THEM?

**Sri Lanka's state universities have approved positions sitting vacant while institutions complain of staff shortages and students experience the consequences. Prime Minister Harini Amarasuriya has now told vice-chancellors to accelerate recruitment and demanded stronger action over ragging. The more uncomfortable question is why instructions from the Prime Minister were necessary in the first place.**

**NEWSLINE**

Sri Lanka's universities need people, have approved vacancies for people and somehow continue to leave a significant number of those positions unfilled.

Prime Minister and Education Minister Harini Amarasuriya has now instructed university authorities to accelerate recruitment to approved vacancies, raising the larger question of how administrative delays are affecting institutions already operating under considerable pressure.

The problem is not confined to academic staff. Universities require lecturers and professors, but they also require technical staff, laboratory personnel, administrators and the numerous supporting positions without which teaching and research become increasingly difficult.

An institution can possess lecture halls, laboratories and equipment, but none of them replaces the people required to make a university function.

Sri Lanka's economic crisis made the staffing problem substantially worse. Large numbers of skilled professionals left the country during and after the crisis, and universities were hardly immune from that migration.

Academics capable of obtaining better-paid international appointments had particularly strong reasons to leave when the rupee collapsed and domestic salaries lost purchasing power.

Replacing that expertise is not as simple as advertising a vacancy. An experienced academic represents years of postgraduate education, teaching and research, and when that person leaves a university can fill the position considerably faster than it can replace the experience. That makes unnecessary administrative delays in recruitment particularly difficult to understand.

If a position has already been approved, funding exists and the university genuinely requires the employee, the process should not take so long that students begin experiencing the consequences before somebody is appointed.

The Prime Minister's intervention may accelerate the




"Questioning The Answers"

## THE UNIVERSITIES HAVE..

immediate process, but a properly functioning university system should not require ministerial intervention to complete routine recruitment.

The Prime Minister has also directed university authorities to strengthen their response to ragging and improve mechanisms through which students can report abuse. That issue deserves equal seriousness because Sri Lanka has tolerated the language of "ragging" for so long that it sometimes disguises conduct which would be described very differently outside a university.

Humiliation, intimidation, coercion, physical violence and sexual abuse do not become harmless traditions because they occur during somebody's first weeks on campus. Universities have a duty to protect students while preserving the independence and intellectual freedom that make universities different from most State institutions.

The staffing and ragging issues may appear unrelated, but both ultimately raise the same question about administration. Sri Lanka cannot demand world-class academic performance while allowing routine management processes to drift, nor can it persuade talented young people that the State university system represents their future if campuses cannot guarantee the basic conditions necessary for them to learn safely.

The Government is therefore right to demand action, but ministers should not have to telephone universities to make ordinary university administration happen. Approved vacancies should be filled through transparent and efficient procedures, students should be protected through systems that actually work, and academics should then be allowed to concentrate on what universities were created to do.

Teach, research and produce the people who will build what comes next.

## THEY LEAVE HOME TO KEEP SRI LANKA AFLOAT. SOME NEVER COME BACK.

**Sri Lanka has increased death compensation for registered migrant workers from Rs 600,000 to Rs 2 million, with the first families now receiving payments under the new scheme. It is a substantial improvement for the people whose remittances have become one of the country's most important sources of foreign exchange. But approximately 250 Sri Lankan migrant workers die overseas every year, raising a larger question: can we do more than compensate their families after they are gone?**

**NEWSLINE**

There is a peculiar contradiction in the way Sri Lanka has traditionally regarded its migrant workers. We celebrate the billions of dollars they send home, depend upon those dollars to support the external account and describe them as an essential pillar of the economy, yet the human being behind the remittance can sometimes disappear somewhere between the airport departure gate and the monthly foreign-exchange statistics.

The Sri Lanka Bureau of Foreign Employment has now taken an important step towards improving the protection available to their families. Death compensation for eligible registered migrant workers who die while employed overseas has been increased from Rs 600,000 to a maximum of Rs 2 million.

The structure is relatively straightforward. The existing insurance scheme continues to provide Rs 600,000, while an additional Rs 1.4 million is being paid through the Migrant Workers' Welfare Fund. The additional benefit applies to eligible deaths of registered migrant workers occurring on or after June 25, 2025.




The first payments have already been made. Fifty families and beneficiaries of deceased workers received a total of Rs 70 million in additional compensation under the new arrangement, turning what had previously been a Government proposal into an operating welfare scheme.

That deserves recognition.

The decision not to finance the additional protection through another premium imposed on workers is particularly important. Officials had considered requiring either migrant workers or recruitment agencies to pay an additional insurance premium, but ultimately decided that the Rs 1.4 million supplementary payment should come from the Welfare Fund.

For a worker already borrowing money, selling jewellery or exhausting family savings to finance an overseas job, another compulsory payment before departure would hardly have represented welfare.

The numbers behind the scheme reveal why the issue matters. Around 300,000 Sri Lankans leave for foreign employment annually and the Government says approximately 250 migrant workers die overseas each year. SLBFE figures show 253 death-compensation claims in 2024 alone, compared with 210 in 2023 and 124 in 2022.

Those figures should cause Sri Lanka to look beyond the compensation cheque.

Some deaths will be unavoidable. People become ill, accidents happen and hundreds of thousands of Sri Lankans are working across countries with vastly different occupations and living conditions.

But where patterns exist whether involving workplace safety, excessive working hours, untreated illness, mental-health pressures, abusive employment or inadequate accommodation the State should be capable of identifying them.

That means recording not merely how many workers die, but where they die, what jobs they were doing, the recorded cause of death, whether particular employers or recruitment channels repeatedly appear and whether warning signs existed before the worker died.

The distinction between registered and unregistered workers also matters.

The enhanced compensation scheme is tied to SLBFE registration and insurance eligibility.

Yet Sri Lankans who travel through irregular channels, overstay visas or move between employers do not suddenly cease being Sri Lankan because their paperwork is defective.

Their families can be among the most vulnerable precisely because the worker was outside the formal system.

The answer is not to remove the value of registration. Registration should provide meaningful benefits and protection, and a Rs 2 million death benefit gives workers another powerful reason to enter the formal system.

The challenge is to make legitimate migration sufficiently accessible, affordable and trustworthy that workers are less tempted to circumvent it in the first place.

There is another uncomfortable measurement. Two million rupees is substantially better than Rs 600,000, but for a family that has lost its principal breadwinner it cannot replace decades of income.

A spouse may suddenly have no salary coming home, children may still require schooling and debts incurred to finance the overseas employment may remain long after the worker has died.

Compensation therefore represents the beginning of the State's responsibility to such a family rather than necessarily the end of it.

Sri Lanka rightly celebrates migrant remittances because the country could scarcely have navigated its economic recovery without them.

Behind every dollar, however, is somebody who left a family behind and went somewhere else to earn it.

***Increasing death compensation to Rs 2 million is a good decision. The better achievement would be bringing more of them home alive.***

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Daily by Faraz
"Questioning The Answers"

