

MONEY LAUNDERING & TERRORIST FINANCING RISK ASSESSMENT GUIDELINES

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Premier Bank
service first



ANTI-MONEY LAUNDERING DIVISION
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Prologue:

Recommendation 1 of Financial Action Task Force (FATF), the international standard setter on Anti-Money Laundering (AML) and Combating Terrorist Financing (CFT) requires financial institutions and designated non-financial business and professions (DNFBPs) to identify, assess and take effective action to mitigate their money laundering and terrorist financing risks. This requirement is reflected in the Money-Laundering Prevention Rules (MLPR) 2013. Rule 21 of MLPR 2013 states that every Reporting Organization-Financial Institution (RO-FI) shall conduct periodic risk assessment and forward the same to the Bangladesh Financial Intelligence Unit (BFIU) for vetting. Rule 21 also states that RO-FI shall utilize the risk assessment report after having vetted by BFIU.

This guideline will provide the framework for identifying, assessing and mitigating ML & TF risks that Banks may encounter in doing their business in line with BFIU directives. These risks may arrive through/from customers, product and services, business practices or delivery methods and jurisdictions of geographical presence. Bank may also face risks regulatory risks, i.e non-compliant with the requirements of MLPA 2012, ATA 2009 and directives issued by BFIU. In order to treat those identified risks bank shall assess the level of risks by blending likelihood and impact of the risks.

This document is primarily application to the following staff:

- Business and support function unit managers who are responsible for AML/CFT risk management.
- The frontline of the Bank

In addition the document is also applicable the following stakeholders:

- Managers/Senior Mangers involved in AML/CFT risk management with oversight and control responsibilities.



Risk & Risk Management

What is Risk

Risk can be defined as the combination of the probability of an event and its consequences. In simple term risks can be seen as a combination of the change that something may happen and the degree of damage or loss that may result if it does occur.

What is Risk Management

Risk management is a systematic process of recognizing risk and developing methods to both minimize and manage the risk. This requires the development of method to identify, prioritize, treat (deal with), control and monitor risk exposures. In risk management, a process is followed where the risks are assessed against the likelihood (change) of them occurring and the severity or amount of loss or damage (impact) which may result if they do happen.

Which risks do Banks need to manage

For the ML&TF aspects, BFIU expects a risk management practice to address two main risks:

Business risk and regulatory risk.

Business Risk is the risk that your business may be used for ML&TF. The Bank must assess the following risks in particular:

- Customer risks
- Products of services risks
- Business practices and/or delivery method risks
- Country or jurisdictional risks

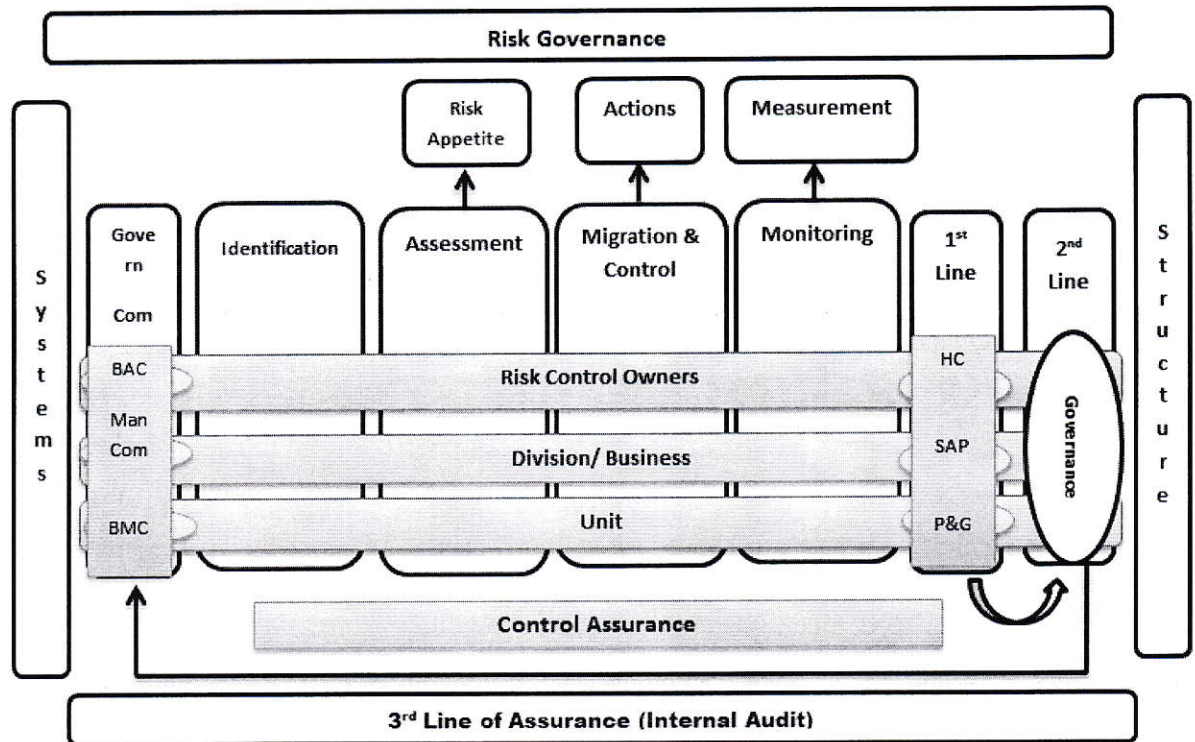
Regulatory Risk is associated with not meeting all obligations of Banks under the Money Laundering Prevention Act, 2012, Anti-Terrorism Act, 2009 (including all amendments), the respective Rules issued under these two acts and introductions issued by BFIU.

Regulatory obligations are failure to report STR/SAR, unable of inappropriately verifications of customers and lacking of AML&CFT program (how a business identifies and manages the ML&TF risk it may face) etc.

It is unrealistic that a Bank would operate in a completely ML&TF risk free environment. Therefore, it is suggested that a Bank shall identifies the ML&TF risk it faces, and then works out the best ways to reduce and manage that risk.



The AML CFT Risk Management Framework:

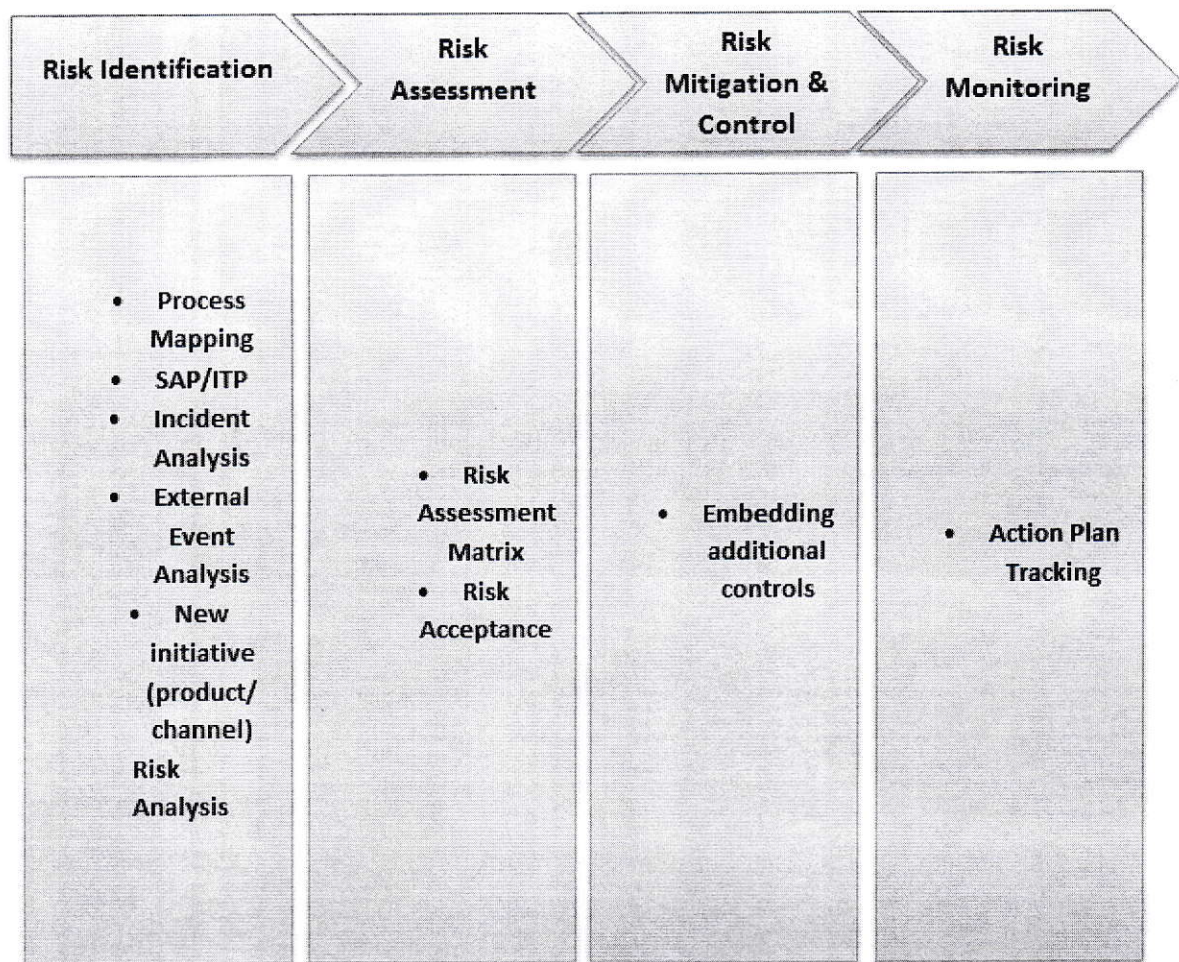


*BAC= Board Audit Committee; ManComm= Management Committee; BMC= Branch Management Committee

HC= Health Check; SAP= Self-Assessment Procedure; P&G= Policies & Guidelines

1st line: The branches/ Frontlines; 2nd line: The AML Division; 3rd line: Internal Audit



Risk Management Steps:**Risk Identification:**

The first step is to identify what ML&TF risks exist in a bank when providing designated services. Some examples of ML&TF risk associated with different banking activities:

Retail banking: provisions of services to cash-intensive business, volume of transactions high-value transactions, diversity of services.

Wealth Management: culture of confidentiality, difficulty to identify beneficial owners, concealment (use offshore trusts), banking secrecy, complexity of financial services and products, PEPs, high value transactions, multiple jurisdictions.

Investment banking: layering and integration transfer of assets between parties in exchange for cash or other assets, global nature of markets.

Correspondent banking: high value transactions limited information about the remitter and source of funds especially when executing transactions with bank located in a jurisdiction that does not comply or complies insufficiently with FATF recommendations, the possibility that PEPs are involved regarding the ownership of a bank.

As previously discussed, there two risk types: **business risk and regulatory risk.**

Business Risk:

Customers: followings are some indicators (but not limited to) to identify ML&TF risk arises from customers of a Bank.

- A new customer
- A new customer who wants to carry out a large transaction
- A customer or a group of customers making lots of transactions to the same individual or group
- A new customer who has a business which involved large amounts of cash
- A customer whose identification is difficult to check



- A new customer who brings in large amounts of used notes and/or small denominations.
- Customers conducting their business relationship or transactions in unusual circumstances, such as:
- A non-resident customer
- A corporate customer whose ownership structure is unusual and excessively complex
- Customers that are politically exposed persons (PEPs) or influential persons (IPs) or head of international organizations and their family members and close associates.
- Customers submit account documentation showing an unclear ownership structure
- Customer opens account in the name of his/ her family member who intends to credit large amount of deposits not consistent with the known sources of legitimate family income.

Products and services:

- Private banking i.e, prioritized or privileged banking
- Credit card
- Anonymous transaction
- Non face to face business relationship or transaction
- Payment received from unknown or unrelated third parties
- Any new product & service developed
- Service to walk-in customers
- Mobile banking

Business Practice/delivery methods or channels:

- Direct to the customer
- Online/ internet
- Phone
- Fax
- Email
- Third party agent or broker.

Country/jurisdiction:

- Any country which is unidentified by credible sources as having significant level of corruption and criminal activity.
- Any country subject to economic or trade sanctions
- Any country known to be a tax haven and unidentified by credible sources as providing funding or support for terrorist activities or that have designated terrorist organizations operating within their country.
- Any country unidentified by FATF or FSRBS as not having adequate AML&CFT system
- Any country identified as destination of illicit financial flow

Regulatory risk

This risk is associated with not meeting the requirements of the Money Laundering Prevention Act, 2012, Anti-Terrorism Act, 2009 (including all amendments) and instructions issued by BFIU. Examples of some of the risks are:

- Customer/ beneficial owner identification and verification not done properly
- Failure to keep record properly
- Failure to scrutinize staffs properly
- Not having an AML&CFT program
- Failure to report suspicious transactions or activities
- Not submitting required report to BFIU regularly
- Not having an AML&CFT compliance officer
- Failure to doing Enhanced Due Diligence (EDD) for high risk customers (i.e, PEPs, IPs)
- Not complying with any order for freezing or suspension of transaction issued by BFIU or BB.
- Not submitting accurate information or statement requested by BFIU or BB.



Risk Assessment:**What is AML/CFT risk assessment?**

Assess the impact and probability of an operational risk exposure to determine the level of severity and need of escalation.

How to assess Operational Risks?

- Use the AML/CFT Risk Grading Matrix
- Assign impact (1) and probability (p) grading
- Determine if the AML Risk is "Very High", Medium, or Low "

Why must we use AML/CFT Risk Grading Matrix?

- Ensure consistency and objectivity in assessing operational risks across businesses and countries
- Determine operational risks (which breach Banks' tolerance limits) which need to be escalated

The Risk Grading Matrix:

2. Likelihood of the Event	Likely occurrence of an operational event within the 12 months with the specified impact	Label					
	Very High	E	Low	Medium	Medium	High	Very High
	High	D	Low	Low	Medium	High	Very High
	Medium	C	Low	Low	Medium	High	Very High
	Low	B	Low	Low	Medium	Medium	High
	Very Low	A	Low	Low	Low	Medium	High
			1. Impact of the event				
Financial Loss			1	2	3	4	5
Reputational/ Regulatory Relationship damage- impact on the future learning potential			<0.08% of forecast income	>0.08% <0.2% of forecast income	>0.2% <1% of forecast income	>1% <2.5% of forecast income	2.5% of forecast income
			No adverse national media coverage	Isolated adverse national media coverage	Short term adverse national media coverage	Sustained adverse national media coverage	Sustained adverse national media coverage resulting in govt. or
			Isolated customer complaints	Increasing customer complaints where top management teams are involved in mitigation	Contained increase of customer attrition	Significant increase in customer attrition	Very material increase in customer attrition with lasting damage to the brand
			No Regulatory enforcement (or is nominal penalty)	No regulatory enforcement other administrative penalties	Formal censures or minor financial penalties	Significant suspension of Business or license approval	Suspension of entire banking license
AML/CFT			Very Unlikely	Chances are there but TXN monitoring can control	Chances are there. Need to be reviewed periodically	Very High Chances	Exposed to ML/TF

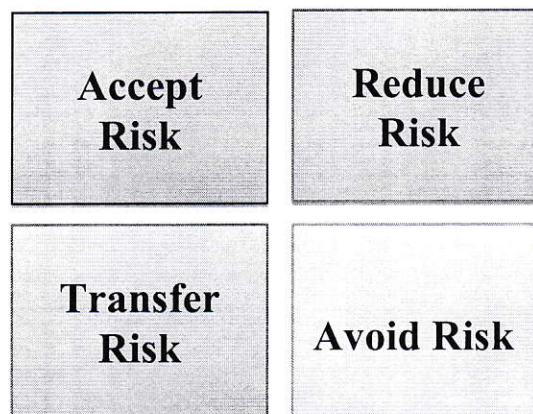


Risk Assessment –Escalation Process:**How to escalate?**

Via an e-mails or a report to CAMLCO within 7 days of discovery.

What details must be provided?

- Details of reporting unit (Division)/Branch) and contact details of staff
- Description of risk identified
- Risk grading (Very High/High/Medium/Low) in line with the grading matrix
- Action Plan
- Responsible Party (RP)
- Target Date

Risk Treatment:

Accept Risk: To accept the internet Risk

Reduce Risk: To embed some mitigating controls to lead to point of lower residual risk

Transfer Risk: Transferring the risk to some external entities to investigate and resolve and enjoy "Safe Harboring" vide raising STR.

Avoid Risk: Not to be exposed to the risk e.g. not opening an account/channel or product

Risk Acceptance:

Risk acceptance is based on Residual Risk (Internet Risk- Mitigating Control)

The **Risk appetite** for the Bank is "Low"



Risk Acceptance Authority:

Residual Risk Grade	Acceptance Authority
Low	Acceptance at unit level
Medium	Senior Management
High	Board Audit Committee
Very High	To be referred to BFIU

Risk Mitigation:

To embed some process to reduce the risk and bring the same within risk appetite level

Example:

Event of onboarding	Risk Grade	Mitigating Action
A started Customer	Low	Standard ID check
Customer who is PEP/IP	Medium	Standard ID check + Obtaining income/wealth corroborating documents
Customer who is sanctioned entities	High	Do not Accept

Risk Monitoring:

Risk monitoring is the phase when the identified risk is tracked in line with the suggested mitigating action plan and target date. The CAMLCO is responsible for tracking the progress and monitoring.



Red Flags pointing to Money Laundering

Branches may wish to make additional enquiries in the following circumstances:

- ❖ The client cannot provide satisfactory evidence of identity.
- ❖ Situations where it is very difficult to verify customer information.
- ❖ Situations where the source of funds cannot be easily verified.
- ❖ Transactions in countries in which the parties are non-residents and their only purpose is a capital investment (they are not interested in living at the property they are buying).
- ❖ Frequent change of ownership of same property in unusually short time periods with no apparent business, economic or other legitimate reason and between related persons.
- ❖ Client wants to re-sell Property shortly after purchase at a significantly different purchase price, without corresponding changes in market values in the same area.
- ❖ Client wishes to form or purchase a company whose corporate objective is irrelevant to the client's normal profession or activities, without a reasonable explanation.
- ❖ The client sets up shell companies with nominee shareholders and/or directors.
- ❖ Client repeatedly changes Attorneys within a short period of time without any reasonable explanation.
- ❖ Client purchases property in names of other persons or uses different names on offers to purchase, closing documents and deposit receipts.
- ❖ Client deposits a large amount of cash with you to make payments which are outside of the client's profile. []
- ❖ Client negotiates a purchase but wants to record a lower value on documents, paying the difference "under the table", (inadequate consideration).
- ❖ Client's documents such as identification, statement of income or employment details are provided by an intermediary who has no apparent reason to be involved, (the intermediary may be the real client).
- ❖ Transaction involves legal entities and there is no relationship seen between the transaction and the business activity of the buying company, or the company has no business activity.
- ❖ Client requests the firm to act as his agent in obtaining high sum bankers' drafts, cashiers' cheques and other cash equivalent or near cash monetary instruments or in making wire transfers to and from other banks or financial institutions, (anonymity).
- ❖ Divergence from the type, volume or frequency of transactions expected in the course of the business relationship.
- ❖ Client gives power of attorney to a non-relative to conduct large transactions (same as above).
- ❖ Use of letters of credit to move money between those countries, where such trade would not normally occur and / or is not consistent with the customer's usual business activity. A Letter of credit is generally resorted to so as to accord more legitimacy to the transaction in order to conceal the real facts.
- ❖ The method of payment requested by the client appears inconsistent with the risk characteristics of the transaction. For example receipt of an advance payment for a shipment from a new seller in a high-risk jurisdiction. []
- ❖ The transaction involves the use of repeatedly amended or frequently extended letters of credit without reasonable justification or that includes changes in regard to the beneficiary or location of payment without any apparent reason.
- ❖ Inward remittances in multiple accounts and payments made from multiple accounts for trade transaction of same business entity are indicators for TBML. In this regard the study of foreign exchange remittances may help detect the offence.
- ❖ The commodity is shipped to or from a jurisdiction designated as 'high risk' for ML activities or sensitive / non co-operative jurisdictions.
- ❖ The commodity is transshipped through one or more such high risk / sensitive jurisdictions for no apparent economic reason.
- ❖ Transaction involves shipment of goods inconsistent with normal geographic trade patterns of the jurisdiction i.e. trade in goods other than goods which are normally exported/ imported by a jurisdiction or which does not make any economic sense.
- ❖ Significant discrepancies appear between the value of the commodity reported on the invoice and the commodity's fair market value.
- ❖ Consignment size or type of commodity being shipped appears inconsistent with the scale or capacity of the exporter or importer's having regard to their regular business activities or the shipment does not make economic sense i.e. there is no reasonable explanation for the client's financial investment into the shipment.
- ❖ Trade transaction reveals links between representatives of companies exchanging goods i.e. same owners or management.



Red Flags Pointing to Financing of Terrorism

Behavioral Indicators:

- ❖ The parties to the transaction (owner, beneficiary, etc.) are from countries known to support terrorist activities and organizations.
- ❖ Use of false corporations, including shell-companies.
- ❖ Inclusion of the individual or entity in the United Nations 1267 Sanctions list.
- ❖ Media reports that the account holder is linked to known terrorist organizations or is engaged in terrorist activities.
- ❖ Beneficial owner of the account not properly identified.
- ❖ Use of nominees, trusts, family members or third party accounts.
- ❖ Use of false identification.
- ❖ Abuse of non-profit organization.

Indicators linked to the financial transactions:

- ❖ The use of funds by the non-profit organization is not consistent with the purpose for which it was established.
- ❖ The transaction is not economically justified considering the account holder's business or profession.
- ❖ A series of complicated transfers of funds from one person to another as a means to hide the source and intended use of the funds.
- ❖ Transactions which are inconsistent with the account's normal activity.
- ❖ Deposits were structured below the reporting requirements to avoid detection.
- ❖ Multiple cash deposits and withdrawals with suspicious references.
- ❖ Frequent domestic and international ATM activity.
- ❖ No business rationale or economic justification for the transaction.
- ❖ Unusual cash activity in foreign bank accounts.
- ❖ Multiple cash deposits in small amounts in an account followed by a large wire transfer to another country.
- ❖ Use of multiple, foreign bank accounts.



RISK REGISTER**Table 1 : ML & TF Risk Register for Customer**

Sl. No.	Risk	Likelihood	Impact	Risk Score	Treatment/Action
RETAIL BANKING CUSTOMER					
1	A new customer	Unlikely	Low	L1	<ul style="list-style-type: none"> Transaction Monitoring KYC review every 5 years Standard ID Check
2	Walk-in customer (beneficiary is government/semi government/autonomous body/bank & NBF)	Unlikely	Low	L1	<ul style="list-style-type: none"> Transaction Monitoring KYC review every 5 years Standard ID Check
3	Walk-in customer (beneficiary is other than government/semi government/autonomous body/bank & NBF)	Likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in Standard ID
4	Non-resident customer (Bangladeshi)	Likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating of the customer him/herself also on high risk or low risk country Transaction Monitoring KYC review every year for high risk customer/customer from high risk country. KYC review for every 5 years for low risk customer AOF duly filled in Standard ID
5	A new customer who wants to carry out a large transaction (i.e. transaction above CTR threshold or below the threshold)	Likely	Moderate	M2	<ul style="list-style-type: none"> Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer Standard ID Check Appropriate Risk Rating in terms of Nature of Business, Net Worth, Type of Account and through which the account is being opened, Monthly transaction permitted by the customer, Monthly transaction declared by the customer AOF -- (complete and accurate information)
6	A customer making series of transactions to the same individual or entity	Un likely	Moderate	L1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in (complete and accurate information) Standard ID
7	Customer involved in outsourcing business	Likely	Moderate	M2	<ul style="list-style-type: none"> Income Corroborating Document Transaction Monitoring KYC review every year for high risk customer KYC review every 5 years for low risk customer Standard ID Check AOF duly filled in (complete and accurate information)
8	Customer appears to do structuring to avoid reporting threshold	Likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
9	Customers appears to have accounts with several banks in the same area	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
10	Customer who shows curiosity about internal systems, controls and policies on internal and regulatory reporting	Un likely	Moderate	L1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
11	Customer is the subject of a Money Laundering or Financing of Terrorism investigation by the order of the court	Un likely	Major	M2	<ul style="list-style-type: none"> Will not open any new account with the customer
12	Negative news about the customers' activities/business in media or from other reliable	Un likely	Moderate	L1	<ul style="list-style-type: none"> Will not open any new account with the customer

	sources				
13	Customer is secretive and reluctant to meet in person	Likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
14	Customer is a mandate who is operating account of behalf of another person/ company.	likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
15	Large deposit in the account of customer with low income	Un likely (if this is one of cases)/ likely(in case of regular transaction)	Moderate	L1/ M2	<ul style="list-style-type: none"> • SDD based on risk rating • Transaction Monitoring- TP review and revised in case of regular occurrences and if the income has increased. • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID • STR raise if it is a regular case in this static situation and that too after thorough examination.
16	Customers about whom BFIU seeks information (individual)	likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • KYC will be reviewed again after enquired by BFIU for safety purposes • Standard ID
17	A customer whose identification is difficult to check	likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
18	Significant and unexplained geographic distance between the bank and the location of the customer	likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
19	Customer is a foreigner	Likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
20	Customer is a minor	Likely	Minor	L1	<ul style="list-style-type: none"> • SDD based on risk rating • Transaction Monitoring • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • School Banking Procedure
21	Customer is housewife	Likely	Moderate	M2	<ul style="list-style-type: none"> • SDD based on risk rating • Transaction Monitoring • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Check the source of income of the spouse
22	Customer that are politically exposed persons (PEPs) or influential persons (IPs) or chief/senior officials of international organizations and their family members and close associates.	Very Likely	Moderate	H3	<ul style="list-style-type: none"> • Income Corroborating Document • Transaction Monitoring • KYC review every year • Standard ID Check
23	Customer opens account in the name of his/her family member who intends to credit large amount of deposits.	Likely	Moderate	M2	<ul style="list-style-type: none"> • SDD based on risk rating • Transaction Monitoring • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID • Raise STR if identified after TP monitoring and evaluation of all relevant documents.
24	Customers doing significant volume of transactions with higher-risk geographic locations	Likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating of the customer him/herself also on high risk or low risk country • Transaction Monitoring • KYC review every year for high risk customer/customer from high risk country

					<ul style="list-style-type: none"> • KYC review for every 5 years for low risk customer • AOF duly filled in • Standard ID
25	A customer who brings in large amounts of used notes and/ or small denominations	Likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
26	Customer dealing in high value or precious goods (e.g. jewel, gem and precious metals dealers, art and antique dealers and auction houses, estate agents and real estate brokers)	Likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/ SDD as per the risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
27	Customer is a money changer/ courier service agent/ travel agent	Un likely/ Likely	Moderate	L 1/ M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
28	Customer is involved in business defined as high risk in KYC profile by BFIU, but not mentioned above	Likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/ SDD based on the risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
29	Customer is involved in Manpower Export Business	Un likely	Moderate	L 1	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
30	Customer has been refused to provide banking facilities by another bank	Unlikely	Low	L1	<ul style="list-style-type: none"> • Transaction Monitoring • KYC review every 5 years • Standard ID Check
31	Accounts opened before 30 April, 2002	Unlikely	Low	L1	<ul style="list-style-type: none"> • These accounts are dormant accounts. • Credit transaction can be done • Debit transaction can be done only after the KYC is updated.
32	Customers with complex accounting and huge transaction	Un likely/ Likely	Moderate	L 1/ M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
33	Receipt of donor fund, fund from foreign source by micro finance institute (MFI)	Un likely/ Likely	Moderate	L 1/ M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
34	Customer which is reporting organization under MLP Act 2012 appears not complying with the reporting requirements (MFI) as per reliable source	Un likely	Moderate	L 1	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
WHOLESALE BANKING CUSTOMER					
1	Entity customer having operations in multiple locations	Un likely	Moderate	L1	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk entity customer • KYC review for every 5 years for low risk entity customer • AOF duly filled in-(complete & accurate information) • Standard ID
2	Customers about whom BFIU seeks information (large corporate)	likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information)

					<ul style="list-style-type: none"> KYC will be reviewed again after enquired by BFIU for safety purposes Standard ID
3	Owner of the entity that are influential persons (IPs) and their family members and close associates	Very Likely	Moderate	H3	<ul style="list-style-type: none"> Income Corroborating Document Transaction Monitoring KYC review every year Standard ID Check
4	A new customer who wants to carry out a large transaction. (i.e. transaction amounting 10 million or above)	Likely/ Un likely	Moderate	M2/L1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID CTR Raised if the transaction is done in cash STR raised if the transaction appear to be suspicious.
5	A customer or a group of customers making lots of transactions to the same individual or group (wholesale)	Un likely	Moderate	L 1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
6	A customer whose identification is difficult to check	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
7	Owner of the entity that are Politically Exposed Persons (PEPs) or chief/ senior officials of International Organizations and their family members and close associates	Very Likely	Moderate	H3	<ul style="list-style-type: none"> Income Corroborating Document Transaction Monitoring KYC review every year Standard ID Check
8	Charities or NPOs (especially operating in less privileged areas).	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
CREDIT CARD CUSTOMER					
9	Customer who changes static data frequently	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID KYC review every time the data is changed
10	Credit Card Customer	Un likely	Moderate	L 1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
11	Customer doing frequent transaction through card (Prepaid & Credit card) and making quick adjustments	Un likely	Moderate	L 1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
12	Prepaid Card customer				
INTERNATIONAL TRADE CUSTOMER					
1	A new customer (Outward remittance through SWIFT)	Un likely	Moderate	L 1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
2	A new customer (Import/Export)	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
3	A new customer (Inward remittance through	Un likely	Moderate	L 1	<ul style="list-style-type: none"> EDD/SDD based on risk rating



	SWIFT)				<ul style="list-style-type: none"> Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
4	A new customer who wants to carry out a large transaction (Inward/Outward remittance)	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
5	A customer wants to conduct business beyond its line of business (import/ export/ remittance)	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
6	Owner/ Director/ Shareholder of the customer is influential person(s) or their family members or close associates	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
7	Correspondent Banks	Un likely	Low	L 1	<ul style="list-style-type: none"> Standard Diligence
8	Money services businesses (remittance houses, exchange houses)	likely	Moderate	M2	<ul style="list-style-type: none"> Standard Diligence Monitor Transactions
AGENT BANKING					
1	A new customer	Unlikely	Low	L1	<ul style="list-style-type: none"> Transaction Monitoring KYC review every 5 years Standard ID Check
2	A customer making series of transactions to the same individual or entity	Unlikely	Moderate	L1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in (complete and accurate information) Standard ID
3	Customers appears to have accounts with several banks in the same area	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
4	Customer who shows curiosity about internal systems, controls and policies on internal and regulatory reporting	Un likely	Moderate	L1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
5	Customer is the subject of a Money Laundering or Financing of Terrorism investigation by the order of the court	Un likely	Major	M2	<ul style="list-style-type: none"> Will not open any new account with the customer
6	Negative news about the customers' activities/ business in media or from other reliable sources	Un likely	Moderate	L1	<ul style="list-style-type: none"> Will not open any new account with the customer
7	Customer is secretive and reluctant to meet in person	Likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
8	Customers about whom BFIU seeks information (individual)	Likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) KYC will be reviewed again after enquired by BFIU for safety purposes Standard ID
9	A customer whose identification is difficult to check	Likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID



10	Customer is housewife	Likely	Moderate	M2	<ul style="list-style-type: none"> SDD based on risk rating Transaction Monitoring KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Check the source of income of the spouse
11	Customer that are politically exposed person (PEPs) or influential persons (IPs) or chief/senior officials of international organizations and their family members and close associates.	Very Likely	Moderate	H3	<ul style="list-style-type: none"> Income Corroborating Document Transaction Monitoring KYC review every year Standard ID Check
12	Customer dealing in high value or precious goods (e.g. jewel, gem and precious metals dealers, art and antique dealers and auction houses, estate agents and real estate brokers)	Likely	Moderate	M2	<ul style="list-style-type: none"> EDD/ SDD as per the risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
13	Customer is involved in business defined as high risk in KYC profile by BFIU, but not mentioned above	Likely	Moderate	M2	<ul style="list-style-type: none"> EDD/ SDD based on the risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled
14	Customer is involved in Manpower Export Business	Un likely	Moderate	L1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
15	Customer has been refused to provide banking facilities by another bank	Un likely	Low	L1	<ul style="list-style-type: none"> Transaction Monitoring KYC review every 5 years Standard ID Check
16	Customers with complex accounting and huge transaction	Un likely/ Likely	Moderate	L1/ M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID

2. Risk Register for Products & Services

Sl. No.	Risk	Likelihood	Impact	Risk Score	Treatment/Action
RETAIL BANKING PRODUCT					
1	Accounts for students where large amount of transactions are made (student file)	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
2	Gift Cheque				<ul style="list-style-type: none"> Currently Do not have the product
3	Locker Service	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
4	Foreign currency endorsement in passport	Un likely	Moderate	L 1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID
5	Large currency endorsement in Passport	Un likely	Moderate	L 1	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer AOF duly filled in-(complete & accurate information) Standard ID Maintain Travel quota
6	FDR (less than 2 million)	likely	Moderate	M2	<ul style="list-style-type: none"> EDD/SDD based on risk rating Transaction Monitoring KYC review every year for high risk customer KYC review for every 5 years for low risk customer

					<ul style="list-style-type: none"> • AOF duly filled in-(complete & accurate information) • Standard ID • CTR to be produced if the FDR is done in cash and above the threshold limit.
7	FDR (2 million and above)	likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID • CTR to be produced if the FDR is done in cash.
8	Special scheme deposit accounts opened with big installment and small tenure.	Un likely	Moderate	L1	<ul style="list-style-type: none"> • We do not have any such deposit scheme
9	Multiple deposit scheme accounts opened by same customer in a branch	Un likely	Moderate	L 1	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID • Check UCIC
10	Open DPS in the name of family member or Installments paid from the account other than the customer's account	likely	Moderate	M2	We do not have any such deposit scheme with the Bank
11	Stand-alone DPS	likely	Moderate	M2	<ul style="list-style-type: none"> • We do not have any such deposit scheme with the Bank
12	Early encashment of FDR, special scheme etc.	Un likely	Moderate	L 1	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID • Produce SAR if that occurs frequently
13	Non face to face business relationship / transaction	likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
14	Payment received from unrelated/ un-associated third parties	likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
RETAIL PRIVILEGE FACILITIES					
1	Pre-Approved Credit Card with BDT 300K limit	Un likely	Moderate	L1	<ul style="list-style-type: none"> • We do not issue Credit Card without approval.
2	Enhanced ATM cash withdrawal Limit BDT 100K	Un likely	Moderate	L1	<ul style="list-style-type: none"> • We do not have such benefit
SME BANKING PRODUCT					
1	Want to open FDR where source of fund is not clear	likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
2	Early encashment of FDR	Un likely	Moderate	L 1	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID • Produce SAR if that occurs frequently.
3	Repayment of loan EMI from source that is not clear	Un likely	Moderate	L 1	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
4	Repayment of full loan amount before maturity	likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer

					<ul style="list-style-type: none"> • AOF duly filled in-(complete & accurate information) • Standard ID
5	Loan amount utilized in sector other than the sector specified during availing the loan	Un likely	Moderate	L1	<ul style="list-style-type: none"> • Thoroughly and critically examined all required document before sanction of loan
6	In case of fixed asset financing, sale of asset purchased immediately after repayment of full loan amount.				<ul style="list-style-type: none"> • Thoroughly and critically examined all required document before sanction of loan
7	Source of fund used as security not clear at the time of availing long	Un likely	Moderate	L1	<ul style="list-style-type: none"> • Thoroughly and critically examined all required document before sanction of loan • Take undertaking
WHOLESALE BANKING PRODUCT					
1	Development of new product & service of bank	Un likely	Moderate	L1	Check the Money Laundering Risks by conducting Applicable due diligence while onboarding a customer and monitor the transactions,
2	Payment received from unrelated third parties	Likely	Moderate	M2	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
3	High value FDR	Unlikely	Moderate	L1	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
4	Term loan, SOD (FO), SOD (G-work order), SOD (Garment), SOD (PO), Loan General, Lease finance, Packing Credit, BTB L/C	Unlikely	Moderate	L1	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Standard ID
5	BG (bid bond), BG (PG), BG (APG)				<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Standard ID
6	L/C subsequent term loan, DP L/C				<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Standard ID
7	C. C(H), SOD (G-Business), STL				<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Standard ID
8	Syndication Financing				<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Standard ID
CREDIT CARD					
9	Supplementary Credit Card Issue	Unlikely	Moderate	L1	<ul style="list-style-type: none"> • EDD/SDD based on risk rating • Transaction Monitoring • KYC review every year for high risk customer • KYC review for every 5 years for low risk customer • AOF duly filled in-(complete & accurate information) • Standard ID
10	Frequent use of Card Cheque				<ul style="list-style-type: none"> • We currently do not have the product
11	BEFTN cheque or pay order as mode of payment instead of account opening at bank (Merchant)	Unlikely	Moderate	L1	<ul style="list-style-type: none"> • Conduct applicable Diligence while onboarding a customer.
12	Credit card issuance against ERQ and RFCD accounts				<ul style="list-style-type: none"> • Appropriate Risk Rating • Transaction Monitoring • Standard ID
INTERNATIONAL TRADE					
1	Line of business mismatch (import/export/remittance)	Likely	Moderate	M2	<ul style="list-style-type: none"> • Check the documents to ascertain the line of business. • If different, decline the transaction
2	Under/ Over invoicing (import/export/remittance)	Likely	Moderate	M2	<ul style="list-style-type: none"> • Check the documents to ascertain proper amount • If different, decline the transaction
3	Retirement of import bills in cash (import/export/remittance)				<ul style="list-style-type: none"> • Check the documents to ascertain proper amount • If different, decline the transaction
4	Wire Transfer	Unlikely	Moderate	L1	<ul style="list-style-type: none"> • Check the source and purpose. • Above USD 5000 conduct full KYC
5	Relationship between the remitter and beneficiary and purpose of remittance mismatch (outward/inward remittance)	Likely	Moderate	M2	<ul style="list-style-type: none"> • Check the documents to ascertain proper purpose • If different, decline the transaction



3. Risk Register for Business practices/ delivery methods or channels

Sl. No.	Risk	Likelihood	Impact	Risk Score	Treatment/Action
1	Online (multiple small transaction through different branches)	Likely	Moderate	M2	<ul style="list-style-type: none"> Home Branches check transaction monitoring report regularly. If Suspicious, raise STR
2	BEFTN	Likely	Moderate	M2	<ul style="list-style-type: none"> Home Branches check transaction monitoring report regularly. If Suspicious, raise STR
3	BACH	Likely	Moderate	M2	<ul style="list-style-type: none"> Home Branches check transaction monitoring report regularly. If Suspicious, raise STR
4	IDBP				
5	Mobile Banking				<ul style="list-style-type: none"> We do not have mobile banking services
6	Third party agent or broker				<ul style="list-style-type: none"> Retail Banking Division check transaction monitoring report regularly. If Suspicious, raise STR
CREDIT CARD					
1	New Merchant sign up	Likely	Low	M2	<ul style="list-style-type: none"> Conduct applicable Diligence while onboarding a customer
2	High volume transaction through POS	Likely	Low	M2	<ul style="list-style-type: none"> Monitoring Transaction
ALTERNATE DELIVERY CHANNEL					
1	Large amount withdrawn from ATMs	UnLikely	Low	L1	<ul style="list-style-type: none"> ATM transaction is limited in terms of money value and in number of transaction in a day. Transaction Monitoring, if they are big enough to be reported
2	Larger amount transaction from different location and different time(mid night) through ATM	UnLikely	Low	L1	<ul style="list-style-type: none"> ATM transaction is limited in terms of money value and in number of transaction in a day. Transaction monitoring, if they are big enough to be reported.
3	Large amount of cash deposit in CDM				<ul style="list-style-type: none"> We do not offer this service.
4	Huge fund transfer through internet				<ul style="list-style-type: none"> We do not offer this service to third parties
5	Transaction profile is updated through Internet-Banking				<ul style="list-style-type: none"> We do not have such facility
6	Customer to business transaction-Online Payment Gateway – Internet Banking				<ul style="list-style-type: none"> Home Branches check transaction monitoring report regularly. If Suspicious, raise STR
INTERNATIONAL TRADE					
1	Customer sending remittance through SWIFT under single customer credit transfer (fin- 103)				<ul style="list-style-type: none"> Check the documents to ascertain proper purpose If Suspicious, raise STR
2	Existing customer / other bank customer receiving remittance through SWIFT under single customer credit transfer (fin – 103)				<ul style="list-style-type: none"> Check the documents to ascertain proper purpose If Suspicious, raise STR

4. Risk Register for Country/ Jurisdiction

Sl. No.	Risk	Likelihood	Impact	Risk Score	Treatment/Action
1	Import and export form / to sanction country				<ul style="list-style-type: none"> UN does not mention of any sanction country
2	Transshipments, container, flag vessel etc. under global sanction				<ul style="list-style-type: none"> Check Sanctions
3	Establishing correspondent relationship with sanction bank and/ or country				Check Sanctions
4	Establishing correspondent relationship with poor AML & CFT practice country.				Mark them as EDD and conduct appropriate Diligence
5	Customer belongs to high-risk geographic locations such as High Intensity Financial Crime Areas				Mark them as EDD and conduct appropriate Diligence
6	Customer belongs to countries or geographic areas identified by credible sources as providing funding or support for terrorist activities, or that have designated terrorist organizations operating within their country.				Mark them as EDD and conduct appropriate Diligence
7	Customer belongs to High Risk ranking countries of the Basel AML index.				Mark them as EDD and conduct appropriate Diligence
8	Customer belongs to the countries identified by the bank as higher-risk because of its prior				Mark them as EDD and conduct appropriate Diligence

	experiences or other factors.				
9	Any country identified by FATF or FSRBs – (FATF style Regional Body) as not having adequate AML & CFT systems				Mark them as EDD and conduct appropriate Diligence
10	Any bank that provide service to 'Shell Bank'				Not permitted
11	Any bank that allow payable through account				Mark them as EDD and conduct appropriate Diligence
12	Any country identified as destination of illicit financial flow				Mark them as EDD and conduct appropriate Diligence
13	Branches in a Border Area				<ul style="list-style-type: none"> Besides normal Account opening, Transaction Monitoring and KYC review has to be very thorough. Currently we do not have any branch at typical Border Areas.
14	Area identified as high risk in the NRA				Mark them as EDD and conduct appropriate Diligence
15	Countries subject to UN embargo/sanctions				Decline relationship

5. Register for Regulatory Risk

Sl. No.	Risk	Likelihood	Impact	Risk Score	Treatment/Action
1 *	Not having AML/CFT guideline	Un likely	Major	M2	<ul style="list-style-type: none"> Established AML/CFT guideline for the bank Ensure 100% training to the employees of the bank to aware about the contents of the guideline AML/ CFT guideline provided by Bangladesh Bank is also available in a shared folder for everyone's reading purpose.
2	Not having AML/CFT compliance officer	Un likely	Major	M2	<ul style="list-style-type: none"> Ensure one CAMLCO and Deputy CAMLCO Ensure appropriate number of employees in the team Ensure dedicated CCC with appropriate number of members
3	Not having Branch Anti Money Laundering Compliance Officer	Un likely	Major	M2	<ul style="list-style-type: none"> Ensure BAMLCO in each branch.
4	Not having an AML & CFT program	Un likely	Major	M2	<ul style="list-style-type: none"> Ensure 100% employee coverage under AML/ CFT training program Also incorporated e-learning on AML/CFT to ensure distance learning
5	No senior management commitment to comply with MLP and AT Act	Un likely	Major	M2	
6	Failure to follow the AMLD/BFIU circular, circular letter, instructions etc.	Un likely	Major	M2	<ul style="list-style-type: none"> Circulated across the organization Employees read all AMLD/BFIU circulars and sign
7	Unique account opening form not followed while opening account				We follow the Unique Account Opening Form.
8	Non screening of new and existing customers against UNSCR Sanction and OFAC lists	Un likely	Major	M2	<ul style="list-style-type: none"> Ensure checking manually for each new and existing customer
9	Violation of Foreign Exchange Regulation Act, 1947 while dealing with NRB accounts				<ul style="list-style-type: none"> Ensure Proposer Maker Checker control to ensure compliance
10	Complete and accurate information of customer not obtained	Likely	Moderate	M2	<ul style="list-style-type: none"> Ensure Proposer Maker Checker control to ensure compliance
11	Beneficial owner identification and verification not done properly	Likely	Moderate	M2	<ul style="list-style-type: none"> Appropriately Unwrap a relationship EDD/SDD based on risk rating AOF duly filled in Standard ID
12	Customer Due Diligence (CDD) not practiced properly	Likely	Moderate	M2	<ul style="list-style-type: none"> Restrict Debit Transactions till updation. Exit the relationship, if required.
13	Failure to perform Enhanced Due Diligence (EDD) for high risk customers (i.e., PEPs, family members and close associates of PEPs and influential person and senior official of international organization.)	Likely	Moderate	M2	<ul style="list-style-type: none"> Restrict Debit Transactions till updation. Exit the relationship, if required.
14	Failure to complete KYC of customer including walk in customer	Likely	Moderate	M2	<ul style="list-style-type: none"> Restrict Debit Transactions till updation. Raise STR, if required.
15	Failure to update TP and KYC of customer	Unlikely	Major	M2	<ul style="list-style-type: none"> Restrict Debit Transactions till updation. Exit the relationship, if required.
16	Keep the legacy accounts operative without completing KYC	Un likely	Moderate	L 1	<ul style="list-style-type: none"> Restrict Debit Transactions till updation.
17	Failure to assess the ML & TF risk of a product or service before launching	Unlikely	Major	M2	<ul style="list-style-type: none"> Abstain from offering the product
18	Failure to complete the KYC of Correspondent Bank	Unlikely	Major	M2	<ul style="list-style-type: none"> Abstain conducting business through them
19	Senior Management approval not obtained before entering into a Correspondent Banking relationship	Un likely	Major	M2	<ul style="list-style-type: none"> Ensure proper approval from the appropriate authority
20	Failure to comply with the instruction of BFIU by bank Foreign subsidiary	Un likely	Major	M2	<ul style="list-style-type: none"> Ensure Compliance
21	Failure to keep record properly	Un likely	Major	M2	<ul style="list-style-type: none"> Ensure 100% record keeping

					<ul style="list-style-type: none">• Ensure audit inspection for all branches• BAMLCOs ensure the record keeping of their respective branches as per their JDs.
22	Failure to report complete and accurate CTR on time	Un likely	Major	M2	<ul style="list-style-type: none">• Ensure proper reporting• Ensure audit inspection for all branches• BAMLCOs ensure the record keeping of their respective branches as per their JDs.
23	Failure to review CTR	Un likely	Major	M2	<ul style="list-style-type: none">• Ensure proper reviewing• Ensure audit inspection for all branches• BAMLCOs ensure the record keeping of their respective branches as per their JDs.
24	Failure to identify and monitor structuring	Un likely	Major	M2	<ul style="list-style-type: none">• Reports in place.• Branches are to check those periodic reports
25	Failure to provide sufficient controls and monitoring systems for the timely detection and reporting of suspicious activity	Un likely	Major	M2	<ul style="list-style-type: none">• Reports in place.• Branches are to check those periodic reports
26	Failure to conduct quarterly meeting properly	Un likely	Major	M2	<ul style="list-style-type: none">• Ensure audit inspection for all branches
27	Failure to report suspicious transactions report (STR)	Un likely	Major	M2	<ul style="list-style-type: none">• Reports in place.• Branches are to check those periodic reports
28	Failure to conduct self-assessment properly	Un likely	Major	M2	<ul style="list-style-type: none">• Ensure audit inspection for all branches
29	Failure to submit statement / report to BFIU on time	Un likely	Major	M2	<ul style="list-style-type: none">• Ensure audit inspection for all branches
30	Submit erroneous statement/ report to BFIU	Un likely	Major	M2	<ul style="list-style-type: none">• Ensure audit inspection for all branches
31	Not complying with any order for freezing or suspension of transaction issued by BFIU or BB	Un likely	Major	M2	<ul style="list-style-type: none">• That is done.• Punitive actions may be taken against the branch
32	Not submitting accurate information or statement sought by BFIU or BB.	Un likely	Major	M2	<ul style="list-style-type: none">• That is done.• Punitive actions may be taken against the branch
33	Not submitting required report to senior management regularly	Un likely	Major	M2	<ul style="list-style-type: none">• That is done.• Punitive actions may be taken against the branch
34	Failure to rectify the objections raised by BFIU or bank inspection teams on time	Un likely	Major	M2	<ul style="list-style-type: none">• That is done.• Punitive actions may be taken against the branch
35	Failure to obtain information during wire transfer	Un likely	Major	M2	<ul style="list-style-type: none">• That is done.• Punitive actions may be taken against the branch
36	Failure to comply with the responsibilities of ordering, intermediary and beneficiary bank	Un likely	Major	M2	<ul style="list-style-type: none">• That is done.• Punitive actions may be taken against the branch/ ID
37	Failure to scrutinize staff properly	Un likely	Major	M2	<ul style="list-style-type: none">• That is done.• Punitive actions may be taken against the branch/ HRD
38	Failure to circulate BFIU guidelines and circulars to branches	Un likely	Major	M2	<ul style="list-style-type: none">• That is done.
39	Inadequate training/ workshop arranged on AML & CFT	Un likely	Major	M2	<ul style="list-style-type: none">• That is done.
40	No independent audit function to test the AML program	Un likely	Major	M2	<ul style="list-style-type: none">• That is done by ICCD.



-THE END-

