

MANAGING CORE RISK IN BANKING

Money Laundering & Terrorist Financing Risk Management Guidelines

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ANTI-MONEY LAUNDERING DIVISION

The Premier Bank Limited

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List of Abbreviations

ACC	Anti Corruption Commission
AML/CFT	Anti-Money Laundering/Combating Financing of Terrorism
AML D	Anti-Money Laundering Division
AOF	Account Opening Form
APG	Asia Pacific Group on Money Laundering
ATA	Anti Terrorism Act
ATF	Anti Terrorist Financing
ATO	Anti Terrorism Ordinance
BB	Bangladesh Bank
BDT	Bangladesh Taka
BFIU	Bangladesh Financial Intelligence Unit
BAMLCO	Branch Anti Money Laundering Compliance Officer
BAMLCC	Branch Anti Money Laundering Compliance Committee
BM	Branch Manager
CAMLCO	Chief Anti Money Laundering Compliance Officer
CAP	Customer Acceptance Policy
CCC	Central Compliance Committee
CDD	Customer Due Diligence
CEO & MD	Chief Executive Officer & Managing Director
CTR	Cash Transaction Report
DCAMLCO	Deputy Chief Anti Money Laundering Compliance Officer
DNFBP	Designated Non-Financial Business and Profession
EDD	Enhanced Due Diligence
EFTN	Electronic Fund Transfer Network
FATF	Financial Action Task Force
FI	Financial Institution
FIU	Financial Intelligence Unit
GoB	Government of Bangladesh
ICC	Internal Control and Compliance
IMF	International Monetary Fund
IPs	Influential Persons
ITP	Independent Testing Procedure
KYC	Know Your Customer
LC	Letter of Credit
PBL	The Premier Bank Limited
ME	Mutual Evaluation
ML	Money Laundering
MLPA	Money Laundering Prevention Act
NBFIs	Non-Bank Financial Institutions
NCC	National Coordination Committee
OFAC	Office of Foreign Assets Control
PEPs	Politically Exposed Persons
PF	Proliferation Financing
SAR	Suspicious Activity Report
STR	Suspicious Transaction Report
TF	Terrorist Financing
TP	Transaction Profile
UN	United Nations
UNSCR	United Nations Security Council Resolutions
UNSCSL	United Nations Security Council Sanctions List



Chapter : 1

OVERVIEW OF ML & TF RISK MANAGEMENT POLICY GUIDELINES**1.1 Introduction**

- 1.1.1 This Money Laundering and Terrorist Financing Risk Management Policy Guidelines of The Premier Bank Limited (PBL) has been developed keeping in consistency with BFIU Circular No. 19 dated 17-09-2017, Money Laundering and Terrorist Financing Risk Assessment Guidelines and Money Laundering and Terrorist Financing Risk Management Guidelines prepared by a Committee comprising of officials from various departments of Bangladesh Bank and Commercial Banks to facilitate implementation of the Money Laundering Prevention Act, 2012 (Act No. 5 of 2012) & (Amendment) Act, 2015 (Act No. 25 of 2015), Anti-Terrorism Act, 2009 (Act No. 16 of 2009) & (Amendment) Act, 2012 & 2013 (Act No. 6 of 2012 & Act No. 22 of 2013 respectively).
- 1.1.2 Since Banks are vulnerable to being used by money launderers and terrorist financing, Bangladesh Financial Intelligence Unit (BFIU) assesses the adequacy of anti money laundering and combating financing terrorism procedures adopted by Banks and the degree of compliance with such procedures. Being a Banking company, The Premier Bank Ltd. is in an obligation to comply with the rules, regulations and guidelines issued by Bangladesh Financial Intelligence Unit (BFIU) from time to time.
- 1.1.3 This policy guideline is designed to assist The Premier Bank Ltd. (PBL) to comply with Bangladesh's anti money laundering and combating financing terrorism rules and regulations. The Premier Bank Ltd. intends to use this policy guideline as a criterion to assess the adequacy of its internal control, policies and procedures to counter money laundering and terrorist financing.
- 1.1.4 This policy guideline includes the followings:
- Anti Money Laundering Policy;
 - Know Your Customer Policy & Procedure;
 - Customer Acceptance Policy;
 - Anti Terrorism Financing Policy; and
 - ML & TF Risk Based Approach.

1.2 Objective of the Policy Guidelines

- 1.2.1 The primary objective of the Policy Guidelines is to prevent the Bank from being used, intentionally or unintentionally, by illegal or criminal elements for money laundering or terrorist financing activities. Policies are appended as under:
- to manage any risk that the services provided by the Bank may be exposed to;
 - to prevent the Bank from being used, intentionally or unintentionally, for ML/TF purposes;
 - to identify customers who are likely to pose a higher than average risk i.e. to put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws or laid down procedures;
 - to ensure that the concerned staffs are adequately trained in KYC, AML & CFT procedures.

1.3 Scope of the Policy Guidelines

- 1.3.1 This policy guidelines is applicable across all branches/business segments of the Bank, Off-Shore Banking Unit (OBU) of a bank licensed by Bangladesh Bank, if any¹, and its Banking / financial subsidiaries and is to be read in conjunction with related operational guidelines issued from time to time. However, subsidiaries would be guided by the instructions and guidelines issued from time to time by the respective regulators.
- 1.3.2 The contents of the policy guidelines shall always be read in tandem/auto-corrected with the changes/modifications which may be advised by regulators and/or by the Bank from time to time.
- 1.3.3 This policy guidelines should be reviewed regularly and updated as necessary based on any legal/regulatory or business/operational changes, such as additions or amendments to existing anti money laundering rules and regulations or business.

¹ Ref.: Section 4.3 of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



1.4 Policy Statement

- 1.4.1 Pursuant to the enacted Money Laundering Prevention Acts, Anti-Terrorism Acts and related circulars and guidelines issued by Bangladesh Bank from time-to-time, Banks have wide array of responsibilities to combat money laundering and financing of terrorism. The Premier Bank Ltd. acknowledges and supports the increasing need for a partnership between the government, regulators, law enforcement agencies, Banks and the general public to work together to prevent the laundering of the proceeds of serious criminal activities and terrorism financing. The Premier Bank Ltd. is determined to play our role in this partnership.
- 1.4.2 The Premier Bank Ltd. is committed to sustain high standards of identification and Know Your Customer (KYC) information across its entire customer base and also to guard against undertaking any transaction that is or may be connected with or may facilitate money laundering or terrorist financing.
- 1.4.3 The Premier Bank Ltd. strongly believes that on-going monitoring of transactions is as important as strong KYC control. It also considers that building up awareness amongst the Staff is also important to prevent damage to the Bank's name and reputation and also ensure compliance with the respective legislation and regulations. Accordingly, The Premier Bank Ltd. is committed to implement the provisions of the Money Laundering Prevention Acts and Anti-Terrorism Acts and also the guidelines and instructions of Bangladesh Bank issues from time-to-time in respect of transaction monitoring systems and operational processes.
- 1.4.4 The Premier Bank Ltd. is strongly committed to assist and co-operate with the relevant law enforcement agencies in Bangladesh whenever possible and to the fullest extent possible. Furthermore, PBL also renews its commitment to:
- train its employees,
 - work closely with the law enforcement authorities,
 - meet our legal and regulatory obligations,
 - work with industry bodies to promote the highest standards of Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) controls across the financial services industry.

1.5 The Link between Money Laundering and Terrorist Financing

- 1.5.1 The techniques used to launder money are essentially the same as those used to conceal the sources of and uses for terrorist financing. But funds used to support terrorism may originate from legitimate sources, criminal activities or both. Nonetheless, disguising the source of terrorist financing, regardless of whether the source is of legitimate or illicit origin, is important. If the source can be concealed, it remains available for future terrorist financing activities. Similarly, it is important for terrorists to conceal the use of the funds so that the financing activity goes undetected.
- 1.5.2 As noted above, a significant difference between money laundering and terrorist financing is that the funds involved may originate from legitimate sources as well as criminal activities. Such legitimate sources may include donations or gifts of cash or other assets of organizations, such as foundations or charities that, in turn, are utilized to support terrorist activities or terrorist organizations.

1.6 Purpose and Contents

- 1.6.1 Both Money Laundering and Financing of Terrorism have been identified as major threats to the financial services community especially to Banks. The Premier Bank Ltd. has recognized that Prevention of Money Laundering and Combating Financing of Terrorism is a Team Effort.
- 1.6.2 This Policy outlines the Bank's Policy, Procedures and Measures to be taken for combating money laundering and financing of terrorism. All employees of the Bank must comply with the terms of this policy immediately. Managers, Employees and Technical Personnel must modify system configurations and procedures, if necessary to comply with this policy immediately.



Chapter : 2

INTERNATIONAL & NATIONAL INITIATIVES ON ML & TF

2.1 Introduction of International Initiatives

2.1.1 In response to the growing concern about money laundering and terrorist activities, the initiatives taken by international community has acted on many fronts. This part of this Guideline discusses the various international organizations and their initiatives relating to anti-money laundering (AML) and combating financing of terrorism (CFT). It further describes the documents and instruments that have been developed for AML & CFT purposes.

2.2 The United Nations

2.2.1 The United Nations (UN) was the first international organization to undertake significant action to fight against money laundering on worldwide basis. The role of the UN is important for several reasons which are following-

- First, it is the international organization with the broadest range of membership. The UN, founded in 1945, has 191 members from all across the world;
- Second, the UN actively operates a program to fight money laundering; the Global Program against Money Laundering, headquartered in Vienna, Austria, is part of the UN Office of Drugs and Crime (UNODC);
- Third, and perhaps most important that the UN has the ability to adopt international treaties or conventions that obligate the ratifying countries to reflect those treaties or conventions in their local laws;

2.2.2 In certain cases, the UNSC has the authority to bind all member countries through a Security Council Resolution, regardless of other actions on the part of an individual country.

2.3 The Vienna Convention

2.3.1 Due to growing concern about the increased international drug trafficking and the tremendous amount of related money entering into financial system, the UN adopted the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988) known as Vienna Convention, named after the city in which it was signed. The Vienna Convention deals primarily with provisions to fight the illicit drug trade and related law enforcement issues. At present, nearly 169 countries including Bangladesh are members to the convention. The convention has come into force from November 11, 1990.

2.4 The Palermo Convention

2.4.1 In order to fight against internationally organized crimes, the UN adopted the International Convention against Transnational Organized Crime (2000), named after the city in which it was signed as Palermo Convention. This convention has come into force from 29th September 2003, having been signed by 147 countries and ratified by 82 countries. The Palermo Convention specifically obligates each ratifying country to:

- Criminalize money laundering and include all serious crimes as predicate offenses of money laundering, whether committed in or outside of the country, and permit the required criminal knowledge or intent to be inferred from objective facts
- Establish regulatory regimes to deter and detect all forms of money laundering, including customer identification, record-keeping and reporting of suspicious transactions
- Authorize the cooperation and exchange of information among administrative, regulatory, law enforcement and other authorities, both domestically and internationally, and consider the establishment of a financial intelligence unit to collect, analyze and disseminate information; and
- Promote international cooperation.

2.5 International Convention for the Suppression of the Financing of Terrorism

2.5.1 The financing of terrorism was an international concern prior to the attacks on the United States on 11 September, 2001. In response to this concern, the UN adopted the International Convention for the Suppression of the Financing of Terrorism (1999). The convention came into force on April 10, 2002 with 132 countries signing the convention and 112 countries ratifying it.

2.5.2 The convention requires ratifying states to criminalize terrorism, terrorist organizations and terrorist acts. Under the convention, it is unlawful for any person to provide or collect funds with the (1) intent that the funds



be used for, or (2) knowledge that the funds be used to, carry out any of the acts of terrorism defined in the other specified conventions that are annexed to this convention.

2.6 Security Council Resolution 1267 And Successors

2.6.1 The UN Security Council has also acted under Chapter VII of the UN Charter to require member States to freeze the assets of the Taliban, Osama Bin Laden and Al-Qaeda and entities owned or controlled by them, as designated by the Sanctions Committee (now called the 1267 Committee). The initial Resolution 1267 of October 15, 1999 dealt with the Taliban and was followed by 1333 of December 19, 2000 on Osama Bin Laden and Al-Qaeda. Later Resolutions established monitoring arrangements (1363 of July 30, 2001), merged the earlier lists (1390 of January 16, 2002), provided some exclusion (1452 of December 20, 2002) and took measures to improve implementation (1455 of January 17, 2003). The 1267 Committee issues the list of individuals and entities whose assets are to be frozen and has procedures in place to make additions or deletions to the list on the basis of representations by member States. The most recent list is available on the website of the 1267 Committee.

2.7 Security Council Resolution 1373

2.7.1 Unlike an international convention, which requires signing, ratification, and recognition in local law by the UN member country to have the effect of law within that country, a Security Council Resolution was passed in response to a threat to international peace and security under Chapter VII of the UN Charter, is binding upon all UN member countries. On September 28, 2001, the UN Security Council adopted Resolution 1373, which obligates countries to criminalize actions to finance terrorism. It further obligates countries to:

- deny all forms of support for terrorist groups;
- suppress the provision of safe haven or support for terrorist, including freeing funds or assets of persons, organizations or entities involved in terrorist acts;
- prohibit active or passive assistance to terrorists; and
- co-operate with other countries in criminal investigations and share information about planned terrorist acts.

2.8 Security Council Resolution 1540

2.8.1 UNSCR 1540 (2004) imposes binding obligations on all States to adopt legislation to prevent the proliferation of nuclear, chemical and biological weapons, and their means of delivery, and establish appropriate domestic controls over related materials to prevent their illicit trafficking. It also encourages enhanced international cooperation on such efforts. The resolution affirms support for the multilateral treaties whose aim is to eliminate or prevent the proliferation of WMDs and the importance for all States to implement them fully; it reiterates that none of the obligations in resolution 1540 (2004) shall conflict with or alter the rights and obligations of States Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, the Chemical Weapons Convention, or the Biological Weapons Convention or alter the responsibilities of the International Atomic Energy Agency (IAEA) and Organization for the Prohibition of Chemical Weapons (OPCW).

2.9 The Counter-Terrorism Committee

2.9.1 As noted above, on September 28, 2001, the UN Security Council adopted a resolution (Resolution 1373) in direct response to the events of September 11, 2001. That resolution obligated all member countries to take specific actions to combat terrorism. The resolution, which is binding upon all member countries, also established the Counter Terrorism Committee (CTC) to monitor the performance of the member countries in building a global capacity against terrorism. Resolution 1373 calls upon all countries to submit a report to the CTC on the steps taken to implement the resolution's measures and report regularly on progress. In this regard, the CTC has asked each country to perform a self-assessment of its existing legislation and mechanism to combat terrorism in relation to the requirements of Resolution 1373.

2.10 Counter-Terrorism Implementation Task Force (CTITF)

2.10.1 The Counter-Terrorism Implementation Task Force (CTITF) was established by the Secretary-General in 2005 and endorsed by the General Assembly through the United Nations Global Counter-Terrorism Strategy, which was adopted by consensus in 2006. The mandate of the CTITF is to enhance coordination and coherence of counter-terrorism efforts of the United Nations system. The Task Force consists of 36 international entities which by virtue of their work have, had a stake in multilateral counter-terrorism efforts. Each entity makes contributions consistent with its own mandate. While the primary responsibility for the implementation of the Global Strategy rests with Member States, CTITF ensures that the UN system is attuned to the needs of Member States, to provide them with the necessary policy support and spread in-depth knowledge of the Strategy, and wherever necessary, expedite delivery of technical assistance.



2.11 Global Program Against Money Laundering

- 2.11.1 The UN Global Program against Money Laundering (GPML) is within the UN Office of Drugs and Crime (UNODC). The GPML is a research and assistance project with the goal of increasing the effectiveness of international action against money laundering by offering technical expertise, training and advice to member countries upon request.

2.12 The Financial Action Task Force

- 2.12.1 The Financial Action Task Force on Money Laundering (FATF), formed by G-7 countries in 1989, is an intergovernmental body whose purpose is to develop and promote an international response to combat money laundering. In October, 2001, FATF expanded its mission to include combating the financing of terrorism. FATF is a policy-making body, which brings together legal, financial and law enforcement experts to achieve national legislation and regulatory AML and CFT reforms. Currently, its membership consists of 34 countries and territories and two regional organizations.

2.13 FATF 40+9 Recommendations

- 2.13.1 FATF adopted a set of 40 recommendations to prevent money laundering. These Forty Recommendations constituted a comprehensive framework for AML and were designed for universal application by countries throughout the world. Although not binding as law upon a country, the Forty Recommendations was widely endorsed by the international community including World Bank and IMF and relevant organizations as the international standard for AML. The Forty Recommendations were initially issued in 1990 and revised in 1996 and 2003 to take account of new developments in money laundering and to reflect developing best practices internationally. To accomplish its expanded mission of combating financing of terrorism FATF adopted nine Special Recommendations in 2001.

2.14 FATF New Standards

- 2.14.1 FATF Plenary has again revised its recommendations in February 2012. The previous 40+9 Recommendations has been accumulated into 40 (forty) recommendations called the FATF Standards. Proliferation financing has been included in the new standards. There is no special recommendation to address the financing of terrorism. All special recommendations have been merged with the 40 recommendations. FATF is now working on the assessment process under the new standards. The following table shows the summary of new standards.

Summary of new FATF 40 Standards:

Group	Topic	Recommendations
1	Policies and Coordination	1-2
2	Money Laundering and Confiscation	3-4
3	Terrorist Financing and Financing of Proliferation	5-8
3	Preventive Measures	9-23
4	Transparency and Beneficial Ownership of Legal Persons and Arrangements	24-25
5	Power and Responsibilities of Competent Authorities and Other Institutional Measures	26-35
6	International Co-operation	36-40

2.15 Monitoring Members Progress

- 2.15.1 Monitoring the progress of members to comply with the requirements of 40+9 recommendations are facilitated by a two-stage process: self assessments and mutual evaluations. In the self-assessment stage, each member country responds to a standard questionnaire, on an annual basis, regarding its implementation of 40+9 recommendations. In the mutual evaluation stage, each member country is examined and assessed by experts from other member countries in every five years. The first Mutual Evaluation (ME) of Bangladesh was conducted by a joint team of World Bank and International Monetary Fund in October, 2002 and the report thereof was adopted by the APG in September, 2003. The 2nd Mutual Evaluation (ME) of Bangladesh was conducted by an APG team in August, 2008 and 3rd round ME is going on.

2.16 The NCCT List

- 2.16.1 FATF adopted a process of identifying those jurisdictions that serve as obstacles to international cooperation in implementing its recommendations. The process used 25 criteria, which were consistent with 40+9 recommendations, to identify such non-cooperative countries and territories (NCCT's) and place them on a publicly available list. NCCT was a process of black listing of non-compliant country. Considering its massive impact on respective country, the FATF introduced new implementation mechanism known as International Cooperation and Review Group (ICRG).



2.17 International Cooperation and Review Group (ICRG)

- 2.17.1 The FATF has set up the International Co-operation Review Group (ICRG) as a new process that is designed to notably engage those jurisdictions which are 'unwilling' and pose a real risk to the international financial system. The ICRG process is designed to bind members of FATF and FATF Style Regional Body (FSRB) that show effective commitment to the standards against those that evade their international obligations. The time and money that one jurisdiction spend on creating an effective system in that country is wasted if a neighbor remains a safe haven for criminals. The ICRG process is focused on specific threats and specific risk in specific countries. If needed, these jurisdictions may be publicly identified by the FATF Plenary.
- 2.17.2 The second role of the ICRG is to work with those jurisdictions to conalesce the shortcomings underpinning the judgment of the FATF Plenary. This means there could be a focused follow up process between the ICRG and a specific jurisdiction. If all evaluation reviews and regular follow ups are conducted properly, there should be no duplication or conflict within the FATF family and between the follow up processes.

2.18 Asia Pacific Group on Money Laundering (APG)

- 2.18.1 The Asia Pacific Group on Money Laundering (APG), founded in 1997 in Bangkok, Thailand, is an autonomous and collaborative international organization consisting of 41 members and a number of international and regional observers. Some of the key international organizations who participate with, and support, the efforts of the APG in the region include the Financial Action Task Force, International Monetary Fund, World Bank, OECD, United Nations Office on Drugs and Crime, Asian Development Bank and the Egmont Group of Financial Intelligence Units. APG is the FATF style regional body (FSRB) for the Asia Pacific region.
- 2.18.2 APG members and observers are committed to the effective implementation and enforcement of internationally accepted standards against money laundering and the financing of terrorism, in particular the Forty Recommendations of the Financial Action Task Force on Money Laundering and Terrorist Financing. The APG has five key roles:
- to assess compliance by APG members with the global standards through a robust mutual evaluation program
 - to coordinate bi-lateral and donor-agency technical assistance and training in the Asia/Pacific region in order to improve compliance by APG members with the global standards
 - to participate in, and co-operate with, the international anti-money laundering network - primarily with the FATF and with other regional anti-money laundering groups
 - to conduct research and analysis into money laundering and terrorist financing trends and methods to better inform APG members of systemic and other associated risks and vulnerabilities and
 - to contribute to the global policy development of anti-money laundering and counter terrorism financing standards by active Associate Membership status in the FATF.
- 2.18.3 The APG also assists its members to establish coordinated domestic systems for reporting and investigating suspicious transaction reports and to develop effective capacities to investigate and prosecute money laundering and the financing of terrorism offences.

2.19 The Egmont Group of Financial Intelligence Units

- 2.19.1 In 1995, a number of governmental units of different countries commonly known as Financial Intelligence Units (FIUs) began working together and formed the Egmont Group of FIUs (Egmont Group), named after the location of its first meeting at the Egmont-Arenberg Palace in Brussels. The purpose of the group is to provide a forum for FIUs to improve support for each of their national AML programs and to coordinate AML initiatives. This support includes expanding and systematizing the exchange of financial intelligence information, improving expertise and capabilities of personnel, and fostering better communication among FIUs through technology, and helping to develop FIUs world-wide.
- 2.19.2 The mission of the Egmont Group has been expanded in 2004 to include specifically financial intelligence on terrorist financing. To be a member of the Egmont Group, a country's FIU must first meet the Egmont FIU definition, which is a central, national agency responsible for receiving (and, as permitted, requesting), analyzing and disseminating to the competent authorities, disclosures of financial information:
- concerning suspected proceeds of crime and potential financing of terrorism or
 - required by national regulation in order to counter money laundering and terrorist financing



2.20 The Basel Committee on Banking Supervision

2.20.1 The Basel Committee on Banking Supervision (Basel Committee) was formed in 1974 by the central Bank governors of the Group of 10 (ten) countries. Each country is represented by their central Banks, or by the relevant authorities with formal responsibility for prudential supervision of Banking where that authority is not the central Bank. The committee has no formal international supervisory authority or force of law. Rather, it formulates broad supervisory standards and guidelines and recommends statements of best practices on a wide range of Bank/financial institution supervisory issues. These standards and guidelines are adopted with the expectation that the appropriate authorities within each country will take all necessary steps to implement them through detailed measures, statutory, regulatory or otherwise, that best suit that country's national system. Basel Committee has adopted 29 'Core Principles for Effective Banking Supervision' on September, 2012. Three of the Basel Committee's supervisory standards and guidelines related to AML&CFT issues.

2.21 Statement of Principles on Money Laundering

2.21.1 In 1988, the Basel Committee issued its Statement on Prevention of Criminal Use of the Banking System for the Purpose of Money Laundering (Statement on Prevention). The Statement on Prevention outlines basic policies and procedures that managements of Banks/FIs should undertake to assist in suppressing money laundering. There are essentially four principles contained in the Statement on Prevention:

- proper customer identification
- high ethical standards and compliance with laws
- cooperation with law enforcement authorities and
- policies and procedures to adhere to the statement

2.22 Basel Core Principles for Banking

2.22.1 In 1997, the Basel Committee issued its Core Principles for Effective Banking Supervision (Core Principles), which provide a comprehensive blueprint for an effective Bank supervisory system and covers a wide range of topics. These Core Principles were reviewed in September 2012 and adopted 29 Core Principles. The 29th principle deals with money laundering; it provides that the supervisor determines that Banks have adequate policies and processes, including strict customer due diligence rules to promote high ethical and professional standards in the financial sector and prevent the Bank from being used, intentionally or unintentionally, for criminal activities.

2.23 Introduction of National Initiatives

2.23.1 In line with international efforts, Bangladesh has also taken many initiatives to prevent money laundering and combating financing of terrorism and proliferation of weapons of mass destructions considering their severe effects on the country.

2.24 Member of APG & Egmont Group

2.24.1 Bangladesh is a **founding member of Asia Pacific Group on Money Laundering (APG)** and has been participating annual plenary meeting since 1997. APG is a FATF style regional body that enforces international standards in Asia Pacific region. As a member of APG, Bangladesh is committed to implement FATF's 40 recommendations. Bangladesh has formally endorsed by the APG Membership out-of-session in September 2014 as the Co-Chair for 2018-2020. Bangladesh hosted the 13th APG Typologies Workshop in 2010 and will also host the APG Annual Meeting of 2016.

2.24.2 BFIU has achieved the **membership of Egmont group in the Egmont plenary on July, 2013** in Sun City, South Africa. Through Egmont membership, BFIU has achieved access to a wider global platform and this will help to establish relationship with other FIUs of different countries to get benefit by exchanging views, experiences and information via Egmont Secure Web.

2.25 Legal Framework

2.25.1 Bangladesh is the first country in the South Asia that has enacted Money Laundering Prevention Act (MLPA) in 2002. To address the shortcomings of the MLPA, 2002 and to meet the international standards Bangladesh enacted –

- Money Laundering Prevention Ordinance (MLPO) in 2008
- Money Laundering Prevention Act 2009
- Money Laundering Prevention Act 2012 and
- Money Laundering Prevention (Amendment) Act 2015

2.25.1.1 Money Laundering Prevention Rules, 2013 has been framed for effective implementation of the act.



- 2.25.2 Bangladesh also enacted Anti Terrorism Ordinance (ATO) in 2008 to combat terrorism and terrorist financing. Subsequently, ATO, 2008 has repealed by Anti-Terrorism Act (ATA), 2009 with the approval of the parliament. To address the gap identified in the Mutual Evaluation Report (MER) Bangladesh enacted –
- Anti Terrorism (Amendment) Act 2012
 - Anti Terrorism (Amendment) Act 2013
- 2.25.2.1 Anti-Terrorism Rules, 2013 has also been promulgated to make the role and responsibilities of related agencies clear specially to provide specific guidance on the implementation procedure of the provisions of the UNSCRs.
- 2.25.3 Bangladesh has enacted Mutual Legal Assistance in Criminal Matters Act, 2012 to enhance international cooperation on ML & TF and other related offences. The Government also enacted Mutual Legal Assistance in Criminal Matters Rules, 2013 which mainly emphasize on the process of widest possible range of providing mutual legal assistance in relation to ML & TF and other associated offences.
- 2.26 Central and Regional Task Forces**
- 2.26.1 The Government of Bangladesh has formed a central and 7 regional taskforces (Chittagong, Rajshahi, Bogra, Sylhet, Rangpur, Khulna and Barisal) on 27 January, 2002 to prevent illegal hundi activities, illicit flow of fund & money laundering in Bangladesh. The Deputy Governor of BB and head of BFIU is the convener of that committee. Both the task force's meeting is held bi-monthly. The meeting minutes of the regional task force are discussed in the central task force meeting. Besides high profile cases are discussed in the central task force meeting. The central task force set out important decisions that are implemented through Banks, financial institutions and Government agencies concerned. Recently, Central Task Force (CTF) has been restructured by Financial Institution Division of Finance Ministry.²
- 2.27 Anti-Money Laundering Department**
- 2.27.1 Anti-Money Laundering Department (AML) was established in Bangladesh Bank in July, 2002 which worked as the FIU of Bangladesh. It was the authority for receiving, analyzing and disseminating Suspicious Transaction Reports (STRs) and Cash Transaction Reports (CTRs).
- 2.28 Bangladesh Financial Intelligence Unit**
- 2.28.1 As per the provision of MLPA, 2012 Bangladesh Financial Intelligence Unit (BFIU) has been established abolishing AMLD as a national central agency to receive, analyze and disseminate STRs/SARs, CTRs and complaints. BFIU has been entrusted with the responsibility of exchanging information related to ML & TF with its foreign counterparts. The main objective of BFIU is to establish an effective system for prevention of money laundering, combating financing of terrorism and proliferation of weapons of mass destruction and it has been bestowed with operational independence.
- 2.28.2 BFIU has continued its effort to develop its IT infrastructure which is necessary for efficient and effective functioning of the unit. In this regard, it has procured goAML software for online reporting and software based analysis of CTRs and STRs. It also has established MIS to preserve and update all the information and to generate necessary reports using the MIS.
- 2.29 National Coordination Committee and Working Committee**
- 2.29.1 To provide guidance for effective implementation of AML & CFT regime, a National Coordination Committee headed by the Honorable Finance Minister and a Working Committee headed by the Secretary of Bank and Financial Institutions Division of Ministry of Finance were formed consisting representatives from all concerned Ministries, Agencies and regulatory authorities.
- 2.30 National ML & TF Risk Assessment (NRA)**
- 2.30.1 Bangladesh first conducted National ML & TF Risk Assessment (NRA) in 2011-2012. The methodology used for NRA was developed by ACC, BFIU and CID of Bangladesh Police consulting with Strategic Implementation Plan (SIP) of World Bank. The report was prepared by using the last 10 years statistics from relevant agencies and identified the vulnerabilities of sectors, limitations of legal framework and weaknesses of the institutions on ML & TF.
- 2.30.2 Second NRA has been conducted by a 'core committee' comprises of ACC, BFIU and CID of Bangladesh Police and another 'working committee' comprises of 23 members. This report considers the output of institutional, sectoral, geographical risk assessment. It covers all the sectors of the economy, legal and institutional framework. The report identifies some high risk areas for Bangladesh that are corruption, fraud-forgery, drug trafficking, gold smuggling and human trafficking. Banks, non-Banks financial institutions, real

² Ref: BFIU (CHIE) - 03/2018-442-498 dated 21/01/2018 issued by Bangladesh Financial Intelligence Unit (BFIU).



estate developers and jewelers were identified as most vulnerable sectors for ML & TF. The foreign donation receiving NGO/NPO workings in the coastal or border area were identified as vulnerable for TF incidence.

2.31 National Strategy for Preventing ML and TF

2.31 National Strategy for Preventing Money Laundering and Combating Financing of Terrorism, 2011-2013 was adopted by the NCC in April 2011. Bangladesh has completed all the action items under the 12(twelve) strategies during that time. A high level committee headed by the Head of BFIU and Deputy Governor of Bangladesh Bank has formulated the National Strategy for Preventing Money Laundering and Combating Financing of Terrorism 2015-2017 which has been approved by the National Coordination Committee (NCC) on ML/TF. The strategy identifies the particular action plan for all the Ministries, Division and Agency to develop an effective AML/CFT system in Bangladesh. The strategy consists of following 11 (eleven) strategies against 11 (eleven) strategic objectives:

- updating National ML&TF Risk Assessment Report regularly and introducing Risk Based Approach of monitoring and supervision of all reporting organizations.
- deterring corruption induced money laundering considering corruption as a high risk.
- modernization of Border Control Mechanism and depriving perpetrators from use of proceeds of crime to prevent smuggling of gold and drugs, human trafficking, other transnational organized crimes considering the risk thereon.
- tackling illicit financial flows (IFF) by preventing the creation of proceeds of crime, curbing domestic and cross- border tax evasion and addressing trade based money laundering.
- discouraging illicit fund transfer by increasing pace of stolen assets recovery initiatives and recovering the evaded tax.
- enhancing the capacity of BFIU in identifying and analyzing emerging ML & TF cases including ML&TF risks arising from the use of new technologies.
- enhancing compliance of all reporting agencies with special focus on new reporting agencies like NGOs/NPOs and DNFBPs.
- expanding investigative capacity and improving the quality of investigation and prosecution of ML & TF cases to deter the criminals.
- establishing identification and tracking out mechanism of TF&PF and fully implementation of targeted financial sanctions related to TF & PF effectively.
- boosting national and international coordination both at policy and operational levels.
- developing a transparent, accountable and inclusive financial system in Bangladesh.

2.32 Chief Anti-Money Laundering Compliance Officers (CAMLCO) Conference

2.32.1 Separate annual conferences for the Chief Anti-Money Laundering Compliance Officers (CAMLCO) of Banks, Financial Institutions, Insurance Companies and Capital Market Intermediaries are arranged by BFIU. It also arranges a number of training programs, workshops, seminars and road-shows to create awareness among the staff of reporting organizations, regulatory authorities about related issues.

2.33 Anti-Militants and De-Radicalization Committee

2.33.1 The Government of Bangladesh is very much vigilant against terrorism and violent extremism. An inter-ministerial committee headed by Minister of Home is working actively to prevent and redress of terrorism, to fight against terrorist and the terrorist organizations in a more coordinated way. The committee comprised of high officials from different ministries, law enforcement and intelligence agencies. The committee tried to find out more sensitive and sophisticated ways to create awareness among the general people about the negative impact of terrorism.

2.34 Memorandum of Understanding (MoU) Between ACC and BFIU

2.34.1 Anti Corruption Commission (ACC) and the Bangladesh Financial Intelligence Unit (BFIU) have signed a Memorandum of Understanding (MoU) on 4 May, 2014 with a view to increasing the scope of cooperation for dealing with money laundering and other financial crimes. The ACC and the BFIU have jointly undertaken various initiatives to fight against money laundering and other financial crimes.

2.35 NGO/NPO Sector Review

2.35.1 Bangladesh first assessed the ML & TF risk associated with the NGO/NPO sector in 2008. As the sector was mainly depending on foreign donation, the report identified strategic deficiencies of supervision and control of the regulator. According to the requirement of FATF Recommendation 8, BFIU has conducted NGO/NPO sector review with the help from NGO Affairs Bureau, Microcredit Regulatory Authority, Department of Social



Services and Research Department of Bangladesh Bank. The review report is a very comprehensive one that covers legal & institutional aspects, supervision mechanism, compliance requirements and risk & vulnerabilities relating to ML & TF.

2.36 Implementation of TFS

2.36.1 UN Security Council Resolutions related to TF adopted under Chapter VII of the Charter of UN are mandatory for all jurisdictions including Bangladesh. Bangladesh has issued Statutory Regulatory Order (SRO) No. 398/2012 on 29 November 2012, which was amended and strengthened by SRO No. 188/2013 dated 18 July 2013 under the United Nations (Security Council) Act, 1948. Before the issuance of those SROs, BFIU was used to issue circular letters as a medium of instructions for the reporting organization to implement the requirements of UNSCRs on regular basis.

2.36.2 In addition to the SROs the UNSCRs requirements were also incorporated in the ATA, 2009. Section 20(A) of ATA, 2009 provides that the Government of Bangladesh has power of taking measures for the purposes of implementing United Nations Security Council Resolution No. 1267 and its successor resolutions and United Nations Security Council Resolution No. 1373 and United Nations Security Council resolutions related to the prevention, suppression and disruption of proliferation of weapons of mass destruction and its financing.

2.37 Coordinated Effort on the Implementation of the UNSCR

2.37.1 A national committee is coordinating and monitoring the effective implementation of the United Nations Security Council Resolutions (UNSCR) relating to terrorism, terrorist financing and financing of proliferation of weapons of mass destruction. The committee is headed by the Foreign Secretary and comprises of representatives from Ministry of Home Affairs; Bank and Financial Institutions Division, Ministry of Finance; Legislative and Parliamentary Affairs Division, Ministry of Law, Justice and Parliamentary Affairs and Bangladesh Bank.

2.38 Memorandum of Understanding (MoU) BFIU and other FIUs

2.38.1 To enhance the cooperation with foreign counterparts, BFIU signed Memorandum of Understanding (MoU) with other FIUs. BFIU has signed 36 (till date) MoU so far to exchange the information related to ML & TF with FIU of other countries.



Chapter : 3

ANTI MONEY LAUNDERING POLICY3.1 Definitions under Money Laundering Prevention Acts,

3.1.1 Section 2(Pha) of Money Laundering Prevention Act, 2012 defines the offence of money laundering as follows:

"Money Laundering" means -

- (i) knowingly moving, converting, or transferring proceeds of crime or property involved in an offence for the following purposes -
 - (1) concealing or disguising the illicit nature, source, location, ownership or control of the proceeds of crime; or
 - (2) assisting any person involved in the commission of the predicate offence to evade the legal consequences of such offence;
- (ii) smuggling money or property earned through legal or illegal means to a foreign country;
- (iii) knowingly transferring or remitting the proceeds of crime to a foreign country or remitting or bringing them into Bangladesh from a foreign country with the intention of hiding or disguising its illegal source; or
- (iv) concluding or attempting to conclude financial transactions in such a manner so as to reporting requirement under this Act may be avoided;
- (v) converting or moving or transferring property with the intention to instigate or assist for committing a predicate offence;
- (vi) acquiring, possessing or using any property, knowing that such property is the proceeds of a predicate offence;
- (vii) performing such activities so as to the illegal source of the proceeds of crime may be concealed or disguised;
- (viii) participating in, associating with, conspiring, attempting, abetting, instigating or counseling to commit any offences mentioned above.

3.1.2 Property has been defined in Section 2(La) of the Act as follows:

"Property" means -

- (i) any kind of asset, whether tangible or intangible, movable or immovable; or
- (ii) cash, document or instrument in any form, including electronic or digital, evidencing title to, or interest in, such assets.

3.1.3 Predicate offence has been defined in Section 2(Sha) of the Act as follows:

"Predicate Offence" means the following offences, those are commenced inside or outside the country to derive any proceed or property, which is laundered or attempted to be laundered:

- (1) Corruption and bribery;
- (2) Counterfeit currency;
- (3) Counterfeit documents;
- (4) Extortion;
- (5) Fraud;
- (6) Forgery;
- (7) Illicit arms trade;
- (8) Illicit narcotic drugs & psychotropic substances trade;
- (9) Illicit trade of stolen & other goods;
- (10) Kidnap, illegal restraint, hostage-taking;
- (11) Murder, grievous bodily injury;
- (12) Woman and child trafficking;
- (13) Smuggling;



- (14) Trafficking of local & foreign currency;
- (15) Theft or robbery or piracy or sea-piracy or air-piracy;
- (16) Human trafficking or accepting or try to accept money or valuable goods by giving false promise to any person for a foreign employment;
- (17) Dowry;
- (18) Illegal trafficking and customs related crime;
- (19) Tax related crime;
- (20) Piracy of intellectual property;
- (21) Terrorism and terrorist financing;
- (22) Counterfeiting and piracy of products;
- (23) Environmental crime;
- (24) Sexual exploitation;
- (25) Taking market advantage through transactions by using price sensitive information of the capital market before it becomes public and trying to control or manipulate the market to gain personal advantage (Insider trading and market manipulation);
- (26) Organized crime or participate in organized criminal gang;
- (27) Obtaining money by threatening; and
- (28) Any other offence that Bangladesh Financial Intelligence Unit, with approval of the Government and by notification in the Official gazette, declares as predicate offence for the purpose of this Act.

3.1.4 Illegal proceed has been defined in Section 2(Ga) of the Act as follows:

"Illegal Proceed" means property acquired or generated through commencement of a predicate offence directly or indirectly, or any such property which is under someone's possession or control.

3.1.5 Cash has been defined in Section 2(Da) of the Act as follows:

"Cash" means any metal coin & paper note recognized as the currency of any country and traveler's cheque, postal note, money order, cheque, Bank draft, bearer bond, letter of credit, bill of exchange, credit card, debit card or promissory note.

3.1.6 Financial instrument has been defined in Section 2(Cha) of the Act as follows:

"Financial Instrument" means all types of paper or electronic documents those have monetary value.

3.1.7 Remitter of monetary value has been defined in Section 2(Kha) of the Act as follows:

"Remitter of Monetary Value" means such financial service where the service provider receives cash, cheque & other financial instrument (electronic or otherwise) and pays equivalent amount of cash or financial instrument or in any other way to the beneficiary.

3.1.8 Trafficking of proceed or property has been defined in Section 2(Ka) of the Act as follows:

"Trafficking of Proceed or Property" means –

- (1) transferring or maintaining abroad of proceed or property violating the laws of the land; or
- (2) refrain from bringing into Bangladesh of any proceed or property from abroad where the interest of Bangladesh is present and was due for bringing into Bangladesh; or
- (3) not to bring the actual proceed into home from abroad or paying in excess of the actual liability to abroad.

3.2 International Definitions of Money Laundering

3.2.1 Money laundering can be defined in a number of ways. But the fundamental concept of money laundering is the process by which proceeds from a criminal activity is disguised to conceal their illicit origins. Most countries adopted to the following definition which was delineated in the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988) (the Vienna Convention) and the United Nations Convention Against Transnational Organized Crime (2000) (the Palermo Convention):

- The conversion or transfer of property, knowing that such property is derived from any offence, e.g. drug trafficking, or offences or from an act of participation in such offence or offences, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an offence or offences to evade the legal consequences of his actions;



- The concealing or disguising the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from an offence or offences or from an act of participation in such an offence or offences, and;
- The acquisition, possession or use of property, knowing at the time of receipt that such property was derived from an offence or offences or from an act of participation in such offence or offences.

3.2.2 The Financial Action Task Force (FATF), the international standard setter for anti money laundering (AML) and combating financing of terrorism (CFT) efforts, recommends that money laundering should be criminalized in line with the Vienna Convention and Palermo Convention. Like other countries of the world, Bangladesh has criminalized money laundering in line with those conventions. Moreover, Bangladesh also considers some domestic concerns like 'smuggling of money or property from Bangladesh' in criminalizing money laundering.

3.3 Reasons behind Money Laundering

3.3.1 Criminals engage in money laundering for three main reasons:

- **Show Legitimacy of Funds:** Money represents the lifeblood of the organization that engages in criminal conduct for financial gain because
 - it covers operating expenses,
 - replenishes inventories,
 - purchases the services of corrupt officials to escape detection,
 - furthers the interests of the illegal enterprise, and
 - pays for an extravagant lifestyle.

to spend money in these ways, criminals must make the money they derived illegally appear legitimate.

- **Hide Sources of Illicit Proceeds:** A trail of money from an offense to criminals can become incriminating evidence. Criminals must obscure or hide the source of their wealth or alternatively disguise ownership or control to ensure that illicit proceeds are not used to prosecute them.
- **Shield against Investigation and Seizure:** The proceeds from crime often become the target of investigation and seizure. To shield ill-gotten gains from suspicion and protect them from seizure, criminals must conceal their existence or, alternatively, make them look legitimate.

3.4 Stages of Money Laundering

3.4.1 There is no single method of laundering money. In most of the criminal cases, the initial proceeds usually take the form of cash. For example, bribery, extortion, robbery and street level trade of drugs are almost always made with cash. This cash needs to enter into the financial system by some means so that it can be converted into a form which can be more easily transformed, concealed or transported.

3.4.2 Despite the variety of methods employed, the laundering is not a single act but a process accomplished in 3 basic stages, placement, layering and integration.

Placement- *the physical disposal of the initial proceeds derived from illegal activity.* This is the movement of cash from its source. On occasion the source can be easily disguised or misrepresented. This is followed by placing it into circulation through financial institutions, casinos, shops, exchange houses, security brokers, and other businesses, both local and abroad.

Layering- *separating illicit proceeds from their source by creating complex layers of financial transactions designed to disguise the audit trail and provide anonymity.* The purpose of this stage is to make it more difficult to detect and uncover a laundering activity. It is meant to make the trailing of illegal proceeds difficult for the law enforcement agencies.

Integration- *the provision of apparent legitimacy to wealth derived criminally.* If the layering process has succeeded, integration schemes place the laundered proceeds back into the economy in such a way that they re-enter into the financial system appearing as normal business funds.



3.4.3 The table below provides some typical examples of the stages of money laundering.

Placement Stage	Layering Stage	Integration Stage
<p>Cash paid into Bank (sometimes with staff complicity or mixed with proceeds of legitimate business).</p> <p>Cash exported.</p> <p>Cash used to buy high value goods, property or business assets.</p> <p>Cash purchase of single premium life insurance or other investment.</p>	<p>Sale or switch to other forms of investment.</p> <p>Money transferred to assets of legitimate financial institutions.</p> <p>Telegraphic transfers (often using fictitious names or funds disguised as proceeds of legitimate business).</p> <p>Cash deposited in outstation branches and even overseas Banking system.</p> <p>Resale of goods/assets.</p>	<p>Redemption of contract or switch to other forms of investment.</p> <p>False loan repayments or forged invoices used as cover for laundered money.</p> <p>Complex web of transfers (both domestic and international) makes tracing original source of funds virtually impossible.</p>

These three steps can be illustrated in the following figure.



3.4.4 The three basic steps may occur as separate and distinct phases. They may also occur simultaneously or more commonly, may overlap. How the basic steps are used depends on the available laundering mechanisms and the requirements of the criminal organizations.

3.5 Why PBL Must Combat Money Laundering?

3.5.1 Money Laundering has a devastating economic, security and social consequences. It provides the fuel for drug dealers, smugglers, terrorists, illegal arms dealers, corrupt public officials and others to operate and expand their criminal enterprises. This drives up the cost of government for increased law enforcement and health care expenditures (for example, for treatment of drug addicts).

3.5.2 Money Laundering diminishes government tax revenue. It also makes government tax collection more difficult. This results in higher tax rates.

3.5.3 Money laundering distorts asset and commodity prices and leads to misallocation of resources. It can lead to an unstable liability base and unsound asset structures thereby creating risks of monetary instability for Banks.

3.5.4 One of the most serious microeconomic effects of money laundering is felt in the private sector. Money launderers often use front companies, for co-mingling their illicit proceeds with legitimate funds, to hide the ill-gotten gains. Because of substantial illicit funds, these front companies can subsidize their products and services at levels well below market rates. This makes it difficult for legitimate businesses to compete against front companies. This situation can result in the crowding out of legitimate private sector businesses by criminal organizations.

3.5.5 Among its other negative socioeconomic effects, money laundering transfers economic power from the market, government and citizens to criminals.

3.5.6 The social and political costs of laundered money are also serious as laundered money may be used to corrupt national institutions. Bribing of officials and governments undermines the moral fabric in society, weakens collective ethical standards and corrupts our democratic institutions.

3.5.7 Nations cannot afford to have their reputation and Banks tarnished by an association with money laundering, especially in today's global economy. Money laundering weakens confidence in and reputation of a Bank. A Bank tainted by money laundering accusations from regulators, law enforcement agencies or the press risks the loss of its good market reputation as well as reputation of the country.



3.5.8 Besides its effect on macro level, ML also affects individual financial institution. Moreover, if it is found that a Bank was used for ML activities, and it did not take proper action against that ML as per the laws of the country, the Bank will have to face legal risk. Finally, the reputation of a Bank can also be heavily affected through its involvement with ML activities.

3.6 How PBL Can Help in Combating Money Laundering

3.6.1 One of the best methods of preventing and deterring money laundering is a sound knowledge of a customer's business and pattern of financial transactions and commitments. In this principle, The Premier Bank Ltd. will adopt sound "Know Your Customer" procedure to avoid involvement in money laundering.

3.6.2 Thus the Bank's effort to combat money laundering largely focuses on the process where the launderer's activities are more susceptible to recognition and therefore concentrates to a large extent on the deposit taking procedures i.e., the placement stage.

3.6.3 Branches must keep transaction records that are comprehensive enough to establish an audit trail. Such records can also provide useful information of the people and organizations involved in laundering schemes.

3.6.4 Human Resources Management Division of the Bank will follow proper Screening Mechanism in case of recruitment and also deal with staff training programs which are a fundamental part of the procedures designed to recognize and combat money laundering.



Chapter : 4

REQUIREMENTS OF THE LAW4.1 Requirements of the Money Laundering Prevention Acts

4.1.1 The legislation specifically relating to money laundering is contained in the Money Laundering Prevention Act, 2012 (Act No. 5 of 2012) and Money Laundering Prevention (Amendment) Act, 2015 (Act No. 25 of 2015), the provisions of which supersedes whatever may contain in any other Act in force in Bangladesh.

4.1.2 So far as financial service providers are concerned, the Acts:

- defines the circumstances, which constitute the offence of money laundering [Section 2(Pha)],
- provides penalties for the commencement of the offences [Sections 4, 5, 6, 7, 8 and 27],
- defines the powers and responsibilities of Bangladesh Financial Intelligence Unit (BFIU) for the purpose of prevention of money laundering [Section 23]
- defines the responsibilities of reporting organizations for the purpose of prevention of money laundering [Section 25]

4.1.3 Reporting Organizations have been defined in Section 2(Ba) of the Act as follows:

"Reporting Organizations" mean:

- (i) Banks;
- (ii) Financial institutions;
- (iii) Insurers;
- (iv) Money changers;
- (v) Any company or institution that remits or transfers money or monetary value;
- (vi) Any other business institution licensed by Bangladesh Bank;
- (vii) (1) Stock dealer and stock broker,
(2) Portfolio manager and merchant Banker,
(3) Security custodian,
(4) Asset manager;
- (viii) (1) Non-profit organization/institution (NPO),
(2) Non-government organization (NGO),
(3) Cooperative society;
- (ix) Real estate developer;
- (x) Traders of precious metals and stones;
- (xi) Trust and company service providers;
- (xii) Lawyers, Notary, other law professionals and accountants;
- (xiii) Such other institutions as Bangladesh Bank, with approval of the Government, may notify from time to time.

4.2 Responsibilities of the Reporting Organizations under the MLP Acts

4.2.1 The Act defines the responsibilities of reporting organizations for the purpose of prevention of money laundering in Section 25(1) as follows:

- (i) KYC Requirement: To retain correct and full information used to identify their customers [Section 25(1)(Ka)];
- (ii) Record Keeping: To retain records of the account and transaction of account at least for 5 (Five) years after termination of relationships with the customers [Section 25(1)(Kha)];
- (iii) Providing Information on Demand: To provide customer identification, account and account transaction records to Bangladesh Financial Intelligence Unit (BFIU) on demand from time to time [Section 25(1)(Ga)]; and



- (iv) **STR Reporting:** To send a Suspicious Transaction Report (STR) to the Bangladesh Financial Intelligence Unit (BFIU) where they observe any suspicious transaction or attempt for such transaction [Section 25(1)(Gha)].

4.3 Penalties for Non-Compliance to the Responsibilities of Reporting Organizations

4.3.1 The Acts also provides penalties in Section 25(2) for non-compliance to the above responsibilities of the reporting organizations as follows:

- (i) **Penalty:** If any reporting organization fails to comply with its above-mentioned responsibilities defined under Section 25(1) of the Acts, then Bangladesh Financial Intelligence Unit (BFIU) may impose penalty of minimum Tk. 50 (Fifty) thousand up to maximum Tk. 25 (Twenty Five) lac upon that reporting organization [Section 25(2)(Ka)].
- (ii) **Cancellation of Permission or License:** In addition to the above-mentioned penalty, Bangladesh Financial Intelligence Unit (BFIU) may cancel permission or license of that reporting organization or any of its branch, service center, booth or agent's business, or where appropriate, shall request the registrar or licensing authority to take proper action against such reporting organization [Section 25(2)(Kha)].

4.4 Powers and Responsibilities of BFIU under the MLP Acts

4.4.1 The Acts give Bangladesh Financial Intelligence Unit (BFIU) broad responsibility for prevention of money laundering and wide-ranging powers to take adequate measures to prevent money laundering, facilitate its detection, monitor its incidence and enforce rules under the Acts. The powers and responsibilities of BFIU are, in summary [Section 23]:

- (i) Analyse cash transaction and suspicious transaction information received from reporting organizations and received information through any other source(s), or collect any additional information from reporting organizations for the purpose of further analysis and maintain database of the same, and where appropriate, provide such information to the concerned law enforcement agency for taking necessary proceedings [Section 23(1)(Ka)].
- (ii) Notwithstanding anything contained in any other Law, collect any information or report from reporting organizations [Section 23(1)(Kha)].
- (iii) Issue an order to any reporting organization to suspend or freeze transactions of an account for a period not exceeding 30 (Thirty) days where there are reasonable grounds to suspect that proceed or property acquired through commencement of a crime have been deposited into that account or proceeds of any account used for the purpose of commencement of a crime or may be used.
Provided that the order so passed for additional periods of 30 (Thirty) days each up to maximum 7 (Seven) times for the purpose of further investigation [Section 23(1)(Ga)].
- (iv) Issue, from time to time, necessary instructions to the reporting organizations for the purpose of prevention of money laundering [Section 23(1)(Gha)].
- (v) Where necessary, carry out on-side inspections of the reporting organizations [Section 23(1)(Uma)].
- (vi) Provide training and arrange meeting, seminar etc. for the officers and staffs of the reporting organizations or any other organizations or institutions as Bangladesh Financial Intelligence Unit may consider appropriate for the purpose of proper implementation of the Act [Section 23(1)(Cha)].
- (vii) Carry out any other functions in attaining the objectives of the Acts including inspection of reporting organization [Section 23(1)(Chha)].

4.4.2 Investigation agency has been defined in Section 2(Tha) of the Act as follows:

'Investigation Agency' means if not differ anything in any section in these acts

- (i) Investigation Agency as empowered by respective act for investigation the 'Predicate Offence' as defined in Section 2(Sha);
Provided that, Criminal Investigation Department of Bangladesh Police shall investigate the predicate offence which is investigable by the Bangladesh Police.
- (ii) Consultation with the government, Bangladesh Financial Intelligence Unit may empower one or more Investigation Agency as mentioned in Section 2(Sha).

4.5 Penalties for Non-Compliance to the Directives of BFIU

4.5.1 The Act also provides penalties in Sections 23(3), 23(4), 23(5), 23(6), 23(7) and 23(8) for failure to provide information on demand, for providing erroneous/false information, or for failure to comply with Bangladesh Financial Intelligence Unit instructions as follows:



- (i) **Failure to Submit Information within Deadline:** If any reporting organization fails to submit within deadline information sought by Bangladesh Financial Intelligence Unit under Section 23(1) of the Act, then Bangladesh Financial Intelligence Unit may impose penalty of Tk. 10 (Ten) thousand per day up to maximum Tk. 5 (Five) lac upon that reporting organization [Section 23(3)]; and
- if any reporting organization faces penalty for more than 03 (Three) times in a financial year, then Bangladesh Financial Intelligence Unit may withhold registration or license of that reporting organization or any of its branch, service center, booth or agent's business in Bangladesh, or where appropriate, shall request the registrar or licensing authority to take proper action against such reporting organization [Section 23(3)].
- (ii) **Submitting Erroneous or False Information or Statement:** If any reporting organization submits erroneous or false information or statement on any subject sought by Bangladesh Financial Intelligence Unit under Section 23(1) of the Acts, then Bangladesh Financial Intelligence Unit may impose penalty of minimum Tk. 20 (Twenty) thousand up to maximum Tk. 5 (Five) lac upon that reporting organization [Section 23(4)]; and
- if any reporting organization faces penalty for more than 3 (Three) times in a financial year, then Bangladesh Financial Intelligence Unit may withhold registration or license of that reporting organization or any of its branches, service center, booth or agent's business in Bangladesh, or where appropriate, shall request the registrar or licensing authority to take proper action against such reporting organization [Section 23(4)].
- (iii) **Failure to Comply with any Instruction of Bangladesh Financial Intelligence:** If any reporting organization fails to comply with any instruction issued by Bangladesh Financial Intelligence under the Act, then Bangladesh Financial Intelligence may impose penalty of Tk. 10 (Ten) thousand per day up to maximum Tk. 5 (Five) lac for each non-compliance issue upon that reporting organization [Section 23(5)]; and
- if any reporting organization faces penalty for more than 03 (Three) times in a financial year, then Bangladesh Financial Intelligence may withhold registration or license of that reporting organization or any of its branch, service center, booth or agent's business in Bangladesh, or where appropriate, shall request the registrar or licensing authority to take proper action against such reporting organization [Section 23(5)].
- (iv) **Failure to Comply with Account Freezing or Suspension Order of Bangladesh Financial Intelligence:**
- If any reporting organization fails to comply with the freezing or suspension order on any account issued by Bangladesh Financial Intelligence under Clause 23(1)(Ga) of the Acts, then Bangladesh Financial Intelligence may impose penalty equal to the balance of that account as a minimum, which will not be more than twice of the balance of that account on the order date [Section 23(6)].
- (v) **Realization of Penalty by Bangladesh Bank:** If any person or entity or reporting organization fails to pay the amount of penalty imposed by Bangladesh Financial Intelligence under Sections 23 and 25 of the Acts, then Bangladesh Financial Intelligence inform Bangladesh Bank and Bangladesh Bank may realize the same by debiting the account maintained in the name of that person or entity or reporting organization with any Bank or financial institution or with Bangladesh Financial Intelligence. If any portion of the penalty amount still remains unpaid, then Bangladesh Bank may appear before the Court for realizing the same and the Court shall pass order as it seems appropriate [Section 23(7)].
- To investigate and enquiry of the offence described in the Acts, the investigation Agency may collect customer's account documents and information from the Bank or financial institution by the appropriate court order or through Bangladesh Financial Intelligence Unit [Section 23(7) Ka].
- (vi) **Additional Penalty for Responsible Owner(s), Director(s), Employee(s) or Contractual(s):** If any penalty is imposed upon any reporting organization under above-mentioned Sections 23(3), 23(4), 23(5) and 23(6) of the Acts, then Bangladesh Financial Intelligence Unit may impose cash penalty of minimum Tk. 10 (Ten) thousand up to maximum Tk. 5 (Five) lac upon the responsible owner(s), directors(s), employee(s) or contractual employee(s) of that reporting organization, and if necessary, may instruct the reporting organization for necessary disciplinary action [Section 23(8)].

4.6

Money Laundering Offences

4.6.1

Offence of Money Laundering: The acts of money laundering will be treated as an offence [Section 4(1)].

4.6.2

Offence Committed by an Entity: If any offence under the Acts have been committed by an entity, then every owner, director, manager, secretary or any other employee or representative of that entity who had direct involvement with the offence shall be deemed to be guilty for such offence. However, it is a defense for



any person as aforesaid can prove that such offence was committed without his/her knowledge or it has occurred despite his/her best efforts to prevent it [Section 27].

4.6.3 **Offence of Violation of Freeze or Attachment Order:** It is an offence for any person to violate any freeze or attachment order passed under the Acts [Section 5].

4.6.4 **Offence of Disclosure, Publish or Using of Information:** It is an offence for a person:

- to disclose any information related to an investigation or any other information to any person, organization or news media for any ill motive [Section 6(1)], or
- to use or disclose information for any purpose other than the purpose of the Acts, which was collected, received, retrieved and known by any person, organization or agent authorized under the Act during the period of his/her employment or appointment period or after completion of his/her employment or appointment contract [Section 6(2)].

4.6.5 **Offence of Obstructing or Refusing to Assist an Investigation or Refusing to Submit Reports:** It is an offence under the Acts for any person:

- to obstruct or refuse to assist the investigating officer in an investigation [Section 7(1)(Ka)], or
- to refuse to submit any report or supply information without any reasonable ground [Section 7(1)(Kha)].

4.6.6 **Offence of Providing False Information:** It is an offence for any person to provide false information knowingly about the sources of funds, or own identity, or the identity of an account holder or about the beneficial owner or nominee of an account [Section 8(1)].

4.7 Penalties for Money Laundering Offences

All offences under the Acts are cognizable, non-compoundable and non-bailable [Section 11]. All penalties for commencement of the offences have prison terms and/or penalties as prescribed in the Acts as follows:

4.7.1 **Penalty for the Offence of Money Laundering:** Any person engaged in money laundering or attempting, aiding or conspiring in the commencement of such offence shall be punishable with imprisonment for a term of minimum 4 (Four) years up to maximum 12 (Twelve) years, and in addition to this, shall be fined with twice the value of the property involved with the offence or Tk. 10 (Ten) lac, whichever is higher [Section 4(2)].

Provided that if failed to payment of financial penalty within stipulated time set by the court, considering unpaid amount of financial penalty, the court may order for additional imprisonment.

In addition to the above, the Court may order to forfeit the property involved directly or indirectly with money laundering or any predicate offence in favor of the state [Section 4(3)].

4.7.2 **Penalty for the Offence Committed by an Entity:** As per rules under Sub-Section 2 of Section 27, if any entity has committed any offence or try to commit offence, abets or conspires then penalty of twice the value of the property involved with the offence or Tk. 20 (Twenty) lac, whichever is higher may be imposed and registration of that entity shall be liable for cancellation [Section 4(4)].

Provided that if the entity failed to payment of financial penalty within stipulated time set by the court, considering unpaid amount of financial penalty, the court may order for imprisonment to the owner of the entity, chairman or director nevertheless any name.

4.7.3 **Penalty for the Offence of Violation of Freeze or Attachment Order:** If any person violates a freeze order or an attachment order, then he/she will be punishable with an imprisonment for a term of maximum 3 (Three) years or with a penalty equal to the value of the property under freeze or attachment order, or both [Section 5].

4.7.4 **Penalty for the Offence of Disclosure, Publish or Using of Information:** If any person discloses any information related to an investigation or any other information to any person, organization or news media for any ill motive, or discloses information for any purpose other than the purpose of the Acts, then he/she will be punishable with an imprisonment for a term of maximum 2 (Two) years or a penalty of maximum Tk. 50 (Fifty) thousand, or both [Section 6(3)].

4.7.5 **Penalty for the Offence of Obstructing or Refusing to Assist an Investigation or Refusing to Submit Reports:** If any person obstructs or refuses to assist the investigating officer in an investigation, or refuses to submit any report or supply information without any reasonable ground, then he/she will be punishable with an imprisonment for a term of maximum 1 (One) year or a penalty of maximum Tk. 25 (Twenty Five) thousand, or both [Section 7(2)].

4.7.6 **Penalty for the Offence of Providing False Information:** If any person provides false information knowingly about the sources of funds, or own identity, or the identity of an account holder or about the



beneficial owner or nominee of an account, he/she will be punishable with an imprisonment for a term of maximum 3 (Three) year or a penalty of maximum Tk. 50 (Fifty) thousand, or both [Section 8(2)].

4.8 "Safe Harbor" Provision for Reporting under MLP Acts.

- 4.8.1 The Money Laundering Prevention Acts encourages reporting organizations to report all suspicious transactions by protecting reporting organizations and their employees from criminal and civil liability when reporting suspicious transactions in good faith to the competent authorities.
- 4.8.2 Section 28 of the Acts provides the "**Safe Harbor**" for such reporting, which is, although any person may be damaged or there remains possibility to be damaged, any criminal or civil or administrative or any other legal action cannot be administered against the reporting organization, or its Board of Directors, or any of its employees.
- 4.8.3 Despite the above safe harbor, if the reporting organizations fail to report STR/SAR, then they will be subject to punishment under Section 25(2) of the Acts.



Chapter : 5

REQUIREMENTS OF ANTI MONEY LAUNDERING POLICY**5.1 Senior Management Commitment**

5.1.1 The most important element of a successful anti-money laundering program is the commitment of Senior Management. Senior Management of PBL is highly committed to the development and enforcement of the Anti Money Laundering, Anti Terrorist Financing and Proliferation Financing objectives which can deter criminals from using their facilities for money laundering or financing of terrorism or proliferation financing, thus ensuring that they comply with their obligations under the laws. For the purpose of this policy, Senior Management means the Managing Director & CEO and the Board of Directors of the Bank.

5.1.2 Board of Directors shall (Role of Senior Management):

- Approve AML & CFT compliance program and ensure its implementation;
- Issue directives to ensure compliance with the instruction of BFIU issued under section 15 of ATA, 2009;
- Take reasonable measures through analyzing self assessment report and independent testing report summary;
- Understand ML & TF risk of the Bank, take measures to mitigate those risk;
- CEO or/and MD shall issue statement of commitment to prevent ML, TF & PF in the Bank for the employees of the Bank on Yearly Basis, shall provide necessary directives on how to implement it and shall monitor the over all status³ ;
- Ensure compliance of AML & CFT program;
- Allocate enough human and other logistics to effective implementation of AML & CFT compliance program.

5.1.3 Senior Management must send the signal that the corporate culture is as concerned about its reputation as it is about profits, marketing, and customer service. As part of the Bank's Anti Money Laundering Policy the Managing Director & CEO, on behalf of the Senior Management, is sending a statement to all employees every year that clearly sets forth the Bank's policy against ML, TF & PF and any activity which facilitates money laundering or the funding of terrorist or criminal activities. The statement evidence indicates the strong commitment of the Bank and its senior management to comply with all laws and regulations designed to combat money laundering and terrorist financing.

5.1.4 Statement of commitment of CEO or MD includes the followings:

- Banks policy or strategy to prevent ML, TF & PF;
- Emphasize on effective implementation of Bank's AML & CFT compliance program;
- Clear indication of balance between business and compliance, risk and mitigating measures;
- Compliance is the responsibility of each employee during their normal course of assignment and ignorance shall not be considered as the excuse for non-compliance;
- Point of contact for clarification in case of any ambiguity arises;
- Consequences of non-compliance as per Human Resources (HR) Policy of the Bank.

5.1.5 Senior Management has accountability to ensure that the Bank's policy, process and procedures towards AML & CFT are appropriately designed and implemented, and are effectively operated to minimize the risk of the Bank being used in connection with ML & TF.

5.1.6 Senior Management must need to ensure the adequacy of the human and other resources devoted to AML & CFT. Moreover, they need to ensure the autonomy of the designated officials related to AML & CFT. Senior Management must take the report from the Anti-Money laundering Division (AML D) into consideration which will assess the operation and effectiveness of the Bank's systems and controls in relation to manage ML & TF risk and take any necessary action to remedy the deficiencies identified by the report in a timely manner.

5.1.7 Senior Management should adopt HR policy for ensuring the compliance of AML & CFT measures by the employees of the Bank.

³ Ref.: Section 1.2. Khe of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



- 5.1.8 Senior Management must be responsive of the level of money laundering and terrorist financing risk when the Bank is exposed to and take a view whether the Bank is equipped to mitigate that risk effectively; this implies that decisions on entering or maintaining high-risk business relationships must be escalated to senior management.
- 5.2 Written Anti Money Laundering Policy**
- 5.2.1 An AML policy must include the following 4 (four) key elements:
- High level summary of key controls;
 - Objective of the policy (e.g. to protect the reputation of the institution);
 - Scope of the policy (A statement confirming that the AML/CFT policy applies to all areas of the business); and
 - Waivers and exceptions- procedures for obtaining exemptions from any aspects of the policy should be carefully controlled; and operational controls.
- 5.2.2 The Board of Directors shall develop, administer, and maintain an Anti Money Laundering Policy that ensures and monitors compliance with Anti Money Laundering legislation, including record keeping and reporting requirements. Such a compliance policy shall be written, approved by the Board of Directors, and noted as such in the Board meeting minutes.
- 5.2.3 The written Anti Money Laundering Policy at a minimum should establish clear responsibilities, functions and accountabilities of the AML & CFT Division, Central Compliance Committee (CCC), Chief Anti-Money Laundering Compliance Officer (CAMLCO) and Deputy Chief Anti-Money Laundering Compliance Officer (D-CAMLCO) within the Bank⁴ to ensure that policies, procedures, and controls are introduced and maintained which can deter criminals from using the Bank for money laundering and the financing of terrorist activities, thus ensuring that we comply with our obligations under the legislation.
- 5.2.4 In addition, the policy should emphasize the responsibility of every employee to protect the institution from exploitation by money launderers and terrorist financiers, and should set forth the consequence of non-compliance with the applicable laws and the institution's policy including the criminal, civil and disciplinary penalties and reputational harm that could ensue from any Bank with money laundering and terrorist financing activity.



⁴ Ref.: Section 1.3.1 Uma of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

Chapter : 6

ORGANIZATIONAL STRUCTURE AND H.R. INITIATIVES**6.1 Central Compliance Committee (CCC)**

6.1.1 Central Compliance Committee (CCC) is a cross departmental committee to facilitate the Anti-Money Laundering initiatives of the Bank. The Committee shall be formed under the leadership of an Executive who will be called as "Chief Anti Money Laundering Compliance Officer (CAMLCO)" and it shall report directly to the Managing Director of the Bank. The Bank shall designate an Executive in the rank of maximum two grades below the Managing Director & CEO as its CAMLCO⁵. CCC will consist of atleast 7 members where the CAMLCO & D-CAMLCO and the Heads/ Executives of different divisions (i.e. HRD, Credit Division, Retail & Corporate Banking Division, FED, OPD, Card Division, ITD etc.) will be the member of the said committee. However no official from ICCD can be a member of the said committee.⁶ CCC will arrange at least 4 meetings yearly where, by reviewing the overall status of the Bank regarding AML & CFT issues, necessary decisions shall be made and necessary instruction shall be given by the committee.⁷

6.2 Formation of CCC

6.2.1 CCC (previously named CCU Committee) was first formed in July 16, 2015 with officials from concerned departments/divisions of Head Office which has been restructured upon the instructions given in the latest BFIU Master Circular (Circular No. 19) and formed a new committee with more members and better involvement of other departments/divisions of the Bank. The new committee consists of sixteen (16) senior members from different departments/divisions (AML Division, Retail Banking Division, Credit Risk Management Division, Corporate Banking Division, SME Division, International Division, Finance & Accounts Division, IT Division, HR Division, Operations Division, Remittance Division) to ensure proper involvement of those in complying with AML&CFT issues.

6.3 Responsibilities of CCC

6.3.1 The committee shall have the following responsibilities:

- To develop and implement the Bank's Policy, Procedure and Strategies in preventing Money Laundering (ML), Terrorist Financing (TF) & Proliferation Financing (PF) and review thereon.
- To ensure a satisfactory compliance on Bank's AML & CFT as per the guidelines.
- To supervise AML Division for the proper implementation of yearly programs on AML & CFT.
- To co-ordinate and monitor Bank's AML & CFT compliance initiatives.
- To co-ordinate the ML & TF risk assessment of the Bank and review thereon.
- To arrange at least 4 meetings in a year; to make necessary decisions and give necessary instructions by reviewing the overall status of the Bank on AML & CFT issues.
- To submit a report to the Managing Director on Half Yearly basis related to AML & CFT issues containing action taken by Bank, implementation progress and recommendations.
- To instruct AML Division to issue instructions, for the Branches to follow on Know Your Customer (KYC), Transaction Monitoring, Internal Compliance etc.
- To nominate one employee from each Branch as BAMLCO to ensure Internal Monitoring and Control System.
- To impart training, workshop, seminar related to AML & CFT for the employees of the Bank.
- Committee may incorporate any member in the committee if they feel the necessity.
- Formal minutes of the meeting shall be maintained to document the AML & CFT activities and decisions.
- Any other issues regarding AML & CFT as & when required by the Bank.

⁵ Ref.: Section 1.3.1 Ka of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

⁶ Ref.: Section 1.3.1 Cha of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

⁷ Ref.: Section 1.3.1 Chha of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



6.4 Anti-Money Laundering Division (AML)

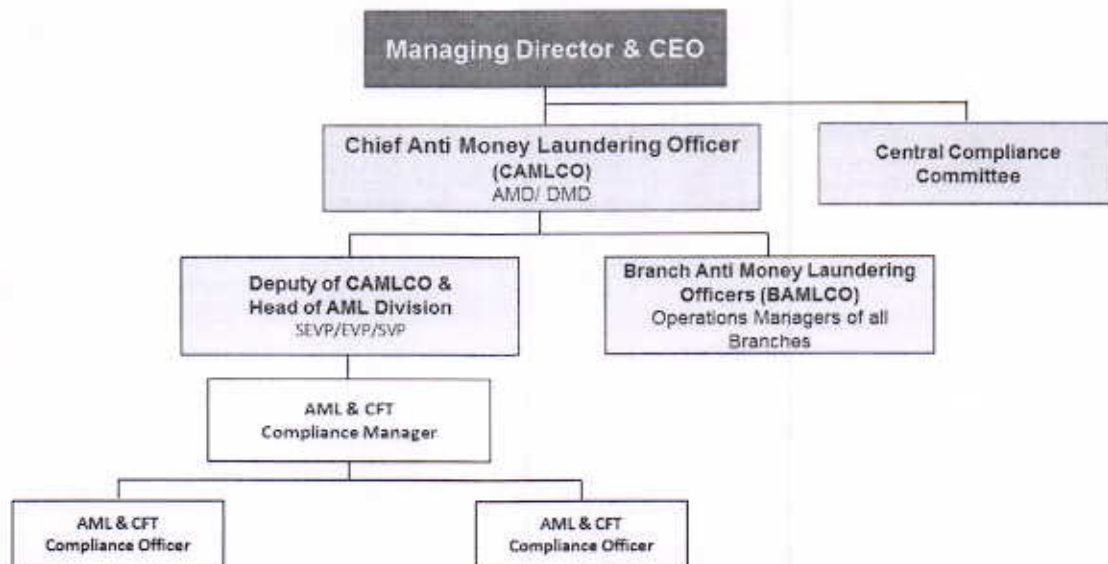
- 6.4.1 The Bank shall constitute an Anti-Money Laundering Division at its Head Office.
- 6.4.2 The Bank shall appoint Chief Anti Money Laundering Compliance Officer (CAMLCO).
- 6.4.3 The Bank shall appoint Deputy Chief Anti Money Laundering Compliance Officer (DCAMLCO).
- 6.4.4 The Bank shall appoint Branch Anti Money Laundering Compliance Officer (BAMLCO).

6.5 Formation of Anti-Money Laundering Division (AML)

- 6.5.1 The Bank shall constitute an Anti-Money Laundering Division at its Head Office or any suitable place as a permanent set-up with specific organogram like other department or division of a Bank. AMLD shall implement and enforce corporate-wide Anti Money Laundering Policies, Procedures and Measures to the Bank and will report to the Managing Director & CEO through the CAMLCO.

6.6 The Premier Bank Ltd. Anti-Money Laundering Division (AML) Organogram Chart

- 6.6.1 The Premier Bank Ltd. has already been established a separate division called Anti-Money Laundering Division (AML) at its Head Office. Organogram of the AMLD of The Premier Bank is given below:



6.7 Manpower for Anti-Money Laundering Division (AML)

- 6.7.1 The Bank shall ensure adequate human resources and other logistic support based on the size and nature of the Bank. The division shall be established consisting **appropriate number**⁸ of employees. The Head of the Division will be the Deputy CAMLCO of the Bank⁹. The employee of the AMLD must have enough knowledge on AML & CFT measures of Bangladesh including MLPA, ATA and rules and instructions issued by BFIU or Bangladesh Bank.

6.8 Separation of AMLD from Internal Control & Compliance (ICC)

- 6.8.1 To ensure the independent audit function in the Bank AMLD should be completely separated from internal audit or compliance and control (ICC). In this regard ICC also examines the performance of AML Division and the Bank's AML & CFT compliance program. To ensure this autonomy there shall not be any member from ICC to AML and vice-a-vice; but there should be enough co-ordination and co-operation in performing their responsibility and information exchange. Also no official from ICCD can be a member of the CCC¹⁰. There should not be any impediment to transfer employee from ICC to AMLD and vis-à-vis but no one should

⁸ The number of employees of AML Division shall be determined considering the number of branches, business expansion, number of customer etc.

⁹ Ref.: Section 1.3.1 Kha of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

¹⁰ Ref.: Section 1.3.1 Cha of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



be posted in these 2 (two) departments/units at the same time. Both AMLD and ICCD will independently perform their respective jobs regarding AML & CFT issues.¹¹

6.9 Responsibilities of AMLD

6.9.1 AMLD is the prime mover of the Bank for ensuring the compliance of AML & CFT measures. Main responsibilities of AML Division are to:

- develop Banks policy, procedure and strategies in preventing ML, TF & PF;
- coordinate Banks AML & CFT compliance initiatives;
- coordinate the ML & TF Risk Assessment of the Bank and review thereon;
- present the compliance status with recommendations before the CEO or MD on half yearly basis;
- forward STR/SAR and CTR to BFIU in time and in proper manner;
- report summary of Self Assessment and Independent Testing Procedure to BFIU in time and in proper manner;
- impart training, workshop, seminar related to AML & CFT for the employee of the Bank;
- take required measures to submit information, report or documents in time.
- ensure the implementation of the AML & CFT program on Yearly Basis.¹²

6.10 Authorities of AMLD

6.10.1 To perform the responsibilities, the AML Division has the following authorities:

- assign BAMLCO their specific job responsibilities;
- requisition of human resources and logistic supports for AML Division;
- make suggestion or administrative sanction for non-compliance by the employees.

6.11 Chief Anti Money Laundering Compliance Officer (CAMLCO)

6.11.1 The Bank shall designate an Executive in the rank of maximum two grades below the Managing Director & CEO¹³ as its Chief Anti Money Laundering Compliance Officer (CAMLCO). If the CAMLCO is changed, it should be informed to BFIU without delay. Before assigning the CAMLCO to other duties of the Bank, the management has to ensure that the AML & CFT activities of the Bank will not be hampered.

6.11.2 The Premier Bank Ltd. has designated a Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office with sufficient authority to implement and enforce corporate wide AML & CFT policies, procedures and measures and who is reporting to MD & CEO.

6.11.3 CAMLCO is the Central Point of Contact (CPC) for communicating with the regulatory agencies regarding the Bank's Anti Money Laundering programs. All staff engaged in the Bank at all levels must be made aware of the identity of the CAMLCO.

6.11.4 CAMLCO is the chairman of the Central Compliance Committee (CCC). The committee shall look after the overall compliance of AML & CFT under the supervision of the CAMLCO.

6.12 Authorities and Responsibilities of CAMLCO

6.12.1 The CAMLCO has the following Authorities:

- CAMLCO is able to act on his own Authority;
- Without taking any prior permission from /with MD or CEO , CAMLCO can submit of STR/SAR and any document or information to BFIU;
- He/She shall maintain the confidentiality of STR/SAR and any document or information required by laws and instructions by BFIU;
- He/She must have access to any information of the Bank;
- CAMLCO shall ensure his/her continuing competence.
- Without the consent of CAMLCO no business relationship with Politically Exposed Persons (PEPs) can be started or maintained.

¹¹ Ref.: Section 1.3.1 Cha of BFIU Circular No. -19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

¹² Ref.: Section 1.3.1 Ga of BFIU Circular No. -19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

¹³ Ref.: Section 1.3.1 Ka of BFIU Circular No. -19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



- Without the consent of CAMLCO no business relationship business relationship with Influential person (IP) or Top officials of any International Organization (IO), if considered as High Risk can be started or maintained.

6.12.2 The CAMLCO has the following Responsibilities:

- CAMLCO must ensure overall AML & CFT compliance of the Bank;
- Oversee the submission of STR/SAR or any document or information to BFIU in time;
- Maintain the day-to-day operation of the Bank's AML&CFT compliance;
- He/She shall be liable to MD , CEO or BoD for proper functioning of AMLD;
- He/She shall review and update ML & TF Risk Assessment of the Bank;
- Ensure that corrective actions have taken by the Bank to address the deficiency identified by the BFIU or Bangladesh Bank;
- Ensure timely arrangement of Central Compliance Committee meeting.

6.12.3 Functions of the Chief Anti Money Laundering Compliance Officer (CAMLCO) will be:

Key Responsibilities of the CAMLCO	Frequency
1. Monitor, review, coordinate application and enforcement of the Bank's compliance policies including Anti Money Laundering Policy, Customer Acceptance Policy, Know Your Customer Policy and Anti Terrorism Financing Policy. These will include: an AML Risk Assessment; practices, procedures and controls for account opening; KYC procedures; ongoing account/ transaction monitoring for detecting suspicious transactions/account activity, and a written AML training plan.	On-going
2. To monitor changes of laws/regulations and directives of Bangladesh Financial Intelligence Unit that may require revisions to the Policies and making these revisions.	On-going
3. Ensure the Bank's Policies are complete and up-to-date; maintain ongoing awareness of new and changing business activities and products and identify potential compliance issues that should be considered by the Bank.	On-going
4. Respond to compliance questions and concerns of the staff and advice branches/ divisions and assist in providing solutions to potential issues involving compliance and money laundering and terrorist financing risk.	As required
5. Actively develop the compliance knowledge of all staff, especially the compliance personnel. Develop and conduct training courses in the Bank to raise the level of awareness of compliance in the Bank.	On-going
6. Develop and maintain ongoing relationships with regulatory authorities, external and internal auditors, Branch/Division Heads and Compliance resources to assist in early identification of compliance issues.	On-going
7. Assist in review of control procedures in the Bank to ensure legal and regulatory compliance and in the development of adequate and sufficient Independent Testing Procedures to prevent and detect compliance lapses.	On-going
8. Monitor the Bank's Self Assessment for AML compliance and any corrective action.	Half Yearly
9. Inspect branches and concerned divisions of Head Office regarding anti money laundering and terrorist financing compliance.	As required
10. Manage the STR & SAR Process: <ul style="list-style-type: none"> a. Review the transactions referred by branch or divisional compliance officers as suspicious. b. Review the Transaction Monitoring reports. c. Ensure that internal Suspicious Transaction Reports (STRs) and Suspicious Activity Reports (SARs) <ul style="list-style-type: none"> - are prepared when appropriate, - are accompanied by documentation of the branch's decision to retain or terminate the account as required under the Policy, - are advised to other branches of the Bank who are known to have a relationship with the customer, - are reported to the Managing Director & CEO and/or the Board of Directors of the Bank when the suspicious activity is judged to represent significant risk to the Bank, including reputation risk. d. Manage the process for reporting suspicious activity to Bangladesh Bank authorities after appropriate internal consultation. 	On-going
11. Ensure timely Anti Money Laundering and Terrorist Financing reporting and compliance to Bangladesh Financial Intelligence Unit, including CTR, Independent Testing Procedure, Self Assessment Report etc. as per specific schedule.	Monthly, & Half-Yearly



12. Ensure timely compliance of Bangladesh Financial Intelligence Unit (BFIU) Inspection Team, Internal Audit Team and External Audit Team.	As required
13. Ensure that a message from the MD & CEO is issued on an annual basis to all officials of the Bank highlighting the commitment of senior management of the Bank to the development and enforcement of the Anti Money Laundering objectives as per Section 5.1.2 of this Policy.	Annually
14. Maintain liaison with the delegates of foreign Banks, local Banks, Bangladesh Bank and various law enforcement agencies.	On-going
15. Collect and review KYC profiles of Correspondents through FI & Correspondant Relationship Banking Department at Head Office.	On-going
16. Prepare/Complete KYC Questionnaires of PBL for correspondents.	As required
17. Arrange AML training programs for the officials of different scheduled Banks of different districts as and when advised by Bangladesh Financial Intelligence Unit.	As required
18. Perform Bank Account Enquiry function as requested by Bangladesh Financial Intelligence Unit (BFIU) on different persons/companies.	As required
19. Perform Bank Account Freeze function as requested by Bangladesh Financial Intelligence Unit (BFIU) on different persons/companies.	As required

6.12.4 The Chief Anti Money Laundering Compliance Officer (CAMLCO) should **possess**:

- Proven leadership and organizational skills and ability to exert managerial control.
- Excellent communication skills, with an ability to clearly and diplomatically articulate issues, solutions and rationale; an effective trainer to raise the level of awareness of the control and compliance culture.
- Solid understanding of AML and ATF regulatory issues and product knowledge associated with a broad range of relevant financial services, Banking activities.
- High degree of judgment, good problem solving skills and be result oriented to ensure sound implementation of control and compliance processes and procedures.
- High personal standard of ethics, integrity and commitment to fulfilling the objectives of the position and protecting the interest of the Bank.

6.12.5 The Chief Anti Money Laundering Compliance Officer (CAMLCO):

- Must be familiar with the ways in which any of the Bank's products and services may be abused by money launderers.
- Must be able to assist the Bank to develop effective AML and ATF policies, including programs to provide AML and ATF training to all personnel.
- Must be able to assist the Bank to assess the ways in which products under development may be abused by money launderers in order to establish appropriate AML and ATF controls before any product is rolled out into the marketplace.
- Must be capable of assisting the Bank to evaluate whether questionable activity is suspicious under the standard set forth in the AML and ATF Policy and under any applicable law and regulation.

6.13 Deputy Chief Anti Money Laundering Compliance Officer (DCAMLCO)

6.13.1 The Bank shall nominate an executive equivalent to Senior Vice President and above¹⁴ as Deputy CAMLCO.

6.13.2 CAMLCO may choose to delegate duties or rely on the Deputy CAMLCO in absence of CAMLCO for their practical performance whilst remaining responsible and accountable for the operation of the designated functions.

6.13.3 The Deputy CAMLCO shall be the Head of Anti Money Laundering Division and will report directly to the CAMLCO.

6.14 Branch Level Organization Structure

6.14.1 For the implementation of all existing acts, rules, BFIU's instructions and Bank's own policies on preventing Money Laundering & Terrorist Financing, CCC shall nominate an experienced Branch Anti Money Laundering Compliance Officer (BAMLCO) in every branch.

6.14.2 Branch Manager, Branch Operations Manager (the second man) of the branch or a high official experienced in general Banking shall be nominated as the BAMLCO. The BAMLCO has to have detailed knowledge in the existing acts, rules and regulations, BFIU's instructions and Bank's own policies on preventing Money

¹⁴ Ref.: Section 1.3.1 Kha of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



Laundering and Terrorist Financing. Clear job descriptions and responsibilities of BAMLCO shall be mentioned in the appointment letter.

6.15 Appointment of Branch Anti Money Laundering Compliance Officer (BAMLCO)

6.15.1 The Branch Manager/ Branch Operations Manager/GB Incharge/ Credit Incharge/any experienced official of every branch shall be designated as the Branch Anti Money Laundering Compliance Officer (BAMLCO). BAMLCO should have a clear understanding about AML & CFT Acts, Rules & Regulations; BFIU Instructions and Bank Policy regarding AML & CFT issues. The BAMLCO shall implement and enforce Anti Money Laundering Policies, Procedures and Measures within the branch and shall report directly to Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office regarding all AML & ATF matters. Branch Manager shall have overall supervision ensuring that the AML & CTF program is effective within the branch. All other officials of the branch shall also assist BAMLCO to this effect. All staff engaged in each branch at all levels must be made aware of the identity of the respective BAMLCO of the branch.

6.15.2 Branch Anti Money Laundering Compliance Committee (BAMLCC): Every branch shall create a Branch Anti Money Laundering Compliance Committee (BAMLCC) consisting at least with the following members:

1. Branch Manager/Head of Branch
2. Branch Operations Manager
3. General Banking In charge
4. Credit In charge
5. Foreign Exchange In charge
6. Cash In Charge (Teller)

6.15.3 The BAMLCO shall arrange quarterly meetings with Branch Anti Money Laundering Compliance Committee (BAMLCC) to review the Anti-Money Laundering compliance status of the branch at the end of every quarter and shall take effective measures on the following matters after reviewing the compliance of the existing acts, rules and regulations, BFIU's instructions on preventing Money Laundering & Terrorist Financing:

- Know Your Customer,
- Transaction monitoring,
- Identifying and reporting of Suspicious Transactions,
- Implementation of Local Sanction List along with the resolutions of UN Sanctions Security Council,
- Self- Assessment Related activities,
- Record keeping,
- Training.

6.15.4 The BAMLCO shall maintain minutes of the meeting in documented form and shall send a copy of the minutes to AML Division. A copy of the minutes should be forwarded to the AMLD along with Self Assessment Report at Head Office for their information & records.

6.16 Individual Responsibilities (Branch Officials)

6.16.1 Whilst complying with rules and regulations is the responsibility of each individual in the Bank in the normal course of their assignments, the following individuals and functions, along with the CAMLCO, all play vital roles in the effectiveness of the Bank's AML program:

6.16.2 Branch Manager (BM):

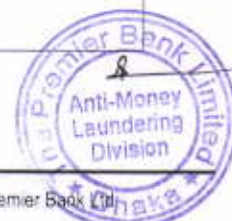
Key Responsibilities of the BM	Frequency
1. Owner of the business & compliance for the branch. Main objective is to achieve numbers towards enhancement of Bank's profit in strict compliance with applicable AML and ATF laws, regulations and policies.	On-going
2. Ensure that the AML and ATF program are effective within the branch.	On-going
3. Issue job description to all individuals as per their nature of activities.	On-going
4. Arrange quarterly meeting of the Branch Anti Money Laundering Compliance Committee (BAMLCC) to review the AML and ATF compliance status of the branch at the end of every quarterly and maintain minutes in documented form.	Quarterly
5. Perform half yearly Self Assessment on AML & CTF performance of the branch and ensure compliance and any corrective action.	Half yearly
6. Ensure good rating of the Independent Testing Procedure (ITP) conducted on the AML compliance of the branch by internal auditors as well as Bangladesh Bank inspectors.	On-going
7. <u>Job Rotation</u> : Maintaining proper communication with HR and other Divisions at Head Office	On-going



for timely transfer of all Branch officials including the Branch Manager him/herself once in every 2 or 3 years ¹⁵ .	
8. Leave Management Ensure that all branch officials including the Branch Manager him/herself have taken 15 continuous days leave at a time each year as mandatory leave ¹⁶ .	On-going

6.16.3 **Branch Anti Money Laundering Compliance Officer (BAMLCO):**

Key Responsibilities of the BAMLCO/CSM	Frequency
1. Check the complete documentation of Account Opening, Maintenance and Closing. a. Check the AOF is proper. b. Check whether all required documents have been collected and ensure that the KYC of all customers have been performed properly and for the new customer KYC is being done properly. c. Comply with related policies, manuals and circulars meticulously.	Daily
2. Ensure that the UN Security Council and domestic sanction list checked properly before opening of account and while making any international transaction.	Daily
3. Keep information of 'dormant accounts' and take proper measures so that any withdrawal from these accounts shall not be allowed without compliance of BFIU's instruction.	On-going
4. Ensure regular transaction monitoring to find out any unusual transaction (In case of an automated Bank, the Bank should follow a triggering system against transaction profile or other suitable threshold. In case of a traditional Bank, transaction should be examined at the end of day against transaction profile or other suitable threshold. Records of all transaction monitoring should be kept in the file).	On-going
5. Review cash transaction to find out any structuring.	On-going
6. Review of CTR to find out Suspicious Transaction Report (STR)/Suspicious Activities Report (SAR).	Monthly
7. Follow the media report on terrorism, terrorist financing or other offences, like corruption, bribery, drug trafficking, gold smuggling, human trafficking, kidnapping or other predicate offences and find out any relationship of the branch with the involved person; if so, BAMLCO should make an STR/SAR.	As required
8. Reports any Suspicious Transaction, Suspicious Activity (STR/SAR), Structuring and Media Report to the CAMLCO.	As required
9. Ensure the checking of UN sanction list before making any foreign transaction.	On-going
10. Ensure that all the employees of the branch are well aware and capable to identify any unusual transaction or any attempt of unusual transaction.	On-going
11. Arrange quarterly meeting of the Branch Anti-Money Laundering Compliance Committee (BAMLCC) to review the AML compliance status of the branch at the end of every quarterly, maintain minutes in documented form and send a copy to the AML Division.	Quarterly
12. Perform Half Yearly Self Assessment on AML & CTF performance of the branch and ensure compliance and any corrective action and submit the report to the CAMLCO.	Half Yearly
13. Accumulate the training records of branch officials and take initiatives for AML training to branch staff including reporting to AMLD, HR and Learning & Talent Development Center.	As required
14. Ensure all the required information and document are submitted properly to AMLD and any freeze order or stop payment order are implemented properly.	As required
15. Submit branch returns including CTR, KYC Exception Report, etc. to the AMLD as per specific schedule.	Monthly, & Half Yearly
16. Communicate the updated policies including AML and CFT laws/regulations to all staff.	On-going
17. Ensure that the branch is maintaining AML & CFT files properly and record keeping is done as per the requirements of chapter 7.	As required
18. Ensure that corrective actions have taken by the branch to address the deficiency identified by the BFIU or BB.	As required
19. Audit/Inspection related activities including timely compliance of the same: a. <u>During Audit (Internal or External)/Inspection (Bangladesh Bank)</u> : When audit/inspection teams visit a branch, BAMLCO will be the coordinator. Whenever any document/statement/files/registers are required by the audit/inspection team, BAMLCO has to inform the BM/Head of Branch, who shall arrange for supply of the same. b. <u>After Receiving the Audit/Inspection Report</u> : Distribute the report to respective Department or any other related wing of Head Office with mentioning a deadline prior to the deadline of the main report.	Adhoc

¹⁵ Ref: Letter no. MLPD (Special)/267/2004-3918-3966 dated 19-10-2004 of Anti-Money Laundering Department of Bangladesh Bank.¹⁶ Ref: Letter no. MLPD (Special)/267/2004-3918-3966 dated 19-10-2004 of Anti-Money Laundering Department of Bangladesh Bank.

- | | |
|---|--|
| c. <u>Continuous Monitoring about the progress of Compliance to the Report:</u> In case of any deviation, inform Branch Manager or related Head of Division immediately. | |
| d. <u>Compliance of All Parts and Send to AMLD within Stipulated Time Frame:</u> The response should be vetted by respective BAMLCO and Branch Manager. | |

6.17 Internal Control & Compliance Division:

- 6.17.1 Internal Audit or Internal Control and Compliance (ICC) shall have an important role for ensuring proper implementation of Bank's AML & CFT Compliance Program. The Bank shall ensure that ICC is equipped with enough manpower and autonomy to look after the prevention of ML&TF. The ICC has to oversee the implementation of the AML & CFT compliance program of the Bank and has to review the 'Self Assessment Report' received from the branches and to execute the 'Independent Testing Procedure' appropriately.

The Internal Audit Officials must:	Frequency
1. understand ML & TF risk of the Bank and check the adequacy of the mitigating measures;	On-going
2. examine the overall integrity and effectiveness of the AML/CFT Compliance Program;	On-going
3. examine the adequacy of Customer Due Diligence policies, procedures and processes, and whether they comply with internal requirements;	On-going
4. determine personnel adherence to the Bank's AML & CFT Compliance Program;	On-going
5. perform appropriate transaction testing with particular emphasis on high risk operations (products, service, customers and geographic locations);	On-going
6. assess the adequacy of the Bank's processes for identifying and reporting suspicious activity;	On-going
7. where an automated system is not used to identify or aggregate large transactions, the audit should include a sample test check of tellers' cash proof sheets;	On-going
8. communicate the findings to the board and/or senior management in a timely manner;	On-going
9. recommend corrective action to address the identified deficiencies;	On-going
10. track previously identified deficiencies and ensures correction made by the concerned person;	On-going
11. examine that corrective actions have taken on deficiency identified by the BFIU or BB;	On-going
12. assess training adequacy, including its comprehensiveness, accuracy of materials, training schedule and attendance tracking;	On-going
13. determine when assessing the training program and materials: <ol style="list-style-type: none"> the importance of the Board and the Senior Management's place on ongoing education, training and compliance the employee accountability for ensuring AML & CFT compliance comprehensiveness of training, in view of specific risks of individual business lines, training of personnel from all applicable areas of the Bank, frequency of training, coverage of Bank policies, procedures, processes and new rules and regulations, coverage of different forms of money laundering and terrorist financing as they relate to identifying suspicious activity, penalties for noncompliance and regulatory requirements. 	On-going
14. Review of control procedures in the Bank to ensure legal and regulatory compliance and in the development of adequate and sufficient Independent Testing Procedures (ITP) to prevent and detect compliance lapses.	On-going
15. Perform AML Risk Assessment for the Business.	On-going
16. Perform periodic Quality Assurance on the AML program in the branches/divisions.	On-going

6.18 Managing Director & CEO:

Key Responsibilities of the MD & CEO	Frequency
1. Overall responsibility to ensure that the Bank has an AML and CFT programs in place and those are working effectively.	On-going
2. On behalf of the Senior Management, Managing Director & CEO shall send a statement to all employees on an annual basis that clearly sets forth the Bank's policy against ML, TF & PF and any activity which facilitates money laundering or the funding of terrorist or criminal activities. If necessary, MD & CEO will also monitor the overall status of the compliance issue. ¹⁷	Yearly

¹⁷ Ref: Section 1.2. Kha of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



6.19 Initiatives by Human Resources Division

- 6.19.1 For proper implementation of AML & CFT measures, following process will be incorporated in PBL HR Policy
- Revised Code of Conduct & Ethics for the employees of The Premier Bank Limited which is the integral part of the Service Rules and Regulations;
 - Proper administrative sanction (proportionate and dissuasive) for non-compliance of AML & CFT measures;
 - Proper weight should be given in the annual performance evaluation of employees for extra ordinary preventive action vies a vies for non-compliance;
 - Written procedure to recover the fined amount from the concerned employee if the fine imposed on employee by the BFIU;
 - Other measures that shall be taken in case of non-compliance by the Bank.
- 6.19.2 **Know Your Employee (KYE) Procedure in Appointment of Employees:** One of the major purposes of combating money laundering activities is to protect the Bank from risks arising out of money laundering. To meet this objective, Human Resources Division shall have to undertake proper **Screening Mechanism** in its different appointment procedures so that The Premier Bank does not face any money laundering risk by any of its staffs¹⁸.
- 6.19.3 **Recruitment Procedure:** To minimize ML & TF risks arise by or through its employees, Human Resources Division shall have to undertake fair recruitment procedure. This fair recruitment procedure shall not only include implementation of fairness in judging publicly declared competitive recruitment, but also include the judgment of good character. For this, Bank shall have to follow at least one from the following measures:
- reference check
 - background check
 - screening through or clearance from Law Enforcement Agency
 - personal interviewing
 - personal guarantee etc.
- ## 6.20 Training and Awareness
- 6.20.1 **Training for Employee:** Every employee of the Bank shall have at least basic AML & CFT training that should cover all the aspects of AML & CFT measures in Bangladesh. To keep the employees updated about AML & CFT measures, Bank shall require imparting refreshment training programs of its employees on a regular basis.
- 6.20.2 **Awareness for Senior Management, Customer & Mass People:** For effective implementation of AML & CFT measures in the Bank, Bank shall arrange awareness program for Senior Management, Customer and for Mass people. Details describe in Chapter 20.13 & 20.14 of this policy.
- 6.20.3 **Job Rotation:** Human Resources Division shall ensure that all branch officials including the branch managers must be transferred once in every 2 or 3 years¹⁹
- 6.17.4 **Leave Management:** Human Resources Division shall monitor leaves taken by employees to ensure that all branch officials including the branch managers have taken 15 continuous days leave at a time each year as mandatory leave²⁰.



¹⁸ Ref.: Section 11.1 of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

¹⁹ Ref.: Letter no. MLPD (Special)267/2004-3918-3966 dated 19-10-2004 of Anti-Money Laundering Department of Bangladesh Bank.

²⁰ Ref.: Letter no. MLPD (Special)267/2004-3918-3966 dated 19-10-2004 of Anti-Money Laundering Department of Bangladesh Bank.

Chapter : 7

Know Your Customer (KYC) Policy

7.1 Introduction

7.1.1 KYC Stands for "Know Your Customer". Know your customer (KYC) policy is an important step developed globally to prevent identity theft, financial fraud, money laundering and terrorist financing. KYC is to enable Banks to know and understand their customers better and help them manage their risks prudently.

7.1.2 Sound Know Your Customer (KYC) procedures are critical elements in the effective management of Banking risks. KYC safeguards go beyond simple account opening and record-keeping and require a Bank to formulate a customer acceptance policy and a tiered customer identification program that involves more extensive due diligence for higher risk accounts, and includes proactive account monitoring for suspicious activities.

7.2 Know Your Customer (KYC) Policy

7.2.1 The Bank's primary defense against being involved in money laundering, terrorist financing and other criminal activities is to know its customers. For this reason, The Premier Bank has developed a comprehensive Know Your Customer (KYC) policy.

7.2.2 Know Your Customer policy includes the following requirements:

- Bank shall collect **complete and accurate** information of their customer including the reason for opening an account²¹.
- Verify and document the identity of customers who establish relationships, open accounts or conduct significant transactions.
- Bank should collect related information of customers as instructed through Uniform Account Opening Form issued by BFIU for any Individual or Non-Individual Customers and verify thereon²².
- Bank should collect sufficient information up to its satisfaction, "**Satisfaction of the Bank**" means satisfaction of the appropriate authority that is necessary due diligence has been conducted considering the risks of the customers in the light of existing directions.
- Bank should maintain **complete and accurate** information of their customer and person acting on behalf of a customer. '**Complete**' refers to combination of name, detail addresses of the person, profession, source of funds (duly justified), Passport/National Identity Card/Birth Registration Certificate (in case of Birth Certificate, acceptable ID card with photo), phone, mobile number, email etc. which verifying the identity of the person or entity. '**Accurate**' refers to such complete information that has been verified for accuracy. In addition Bank has to ensure whether a person is duly authorized to operate the account.
- Obtain, document and confirm any additional customer information, including sources of funds, income and wealth and the nature and extent of the customer's expected transactions, commensurate with the assessment of the money laundering risk posed by the customer's expected use of products and services.

7.2.3 Monitor customer transactions and/or accounts to identify transactions that do not appear to be consistent with normal or expected transactions for the particular customer, category of customer, product or service.

7.3 Objectives of Know Your Customer (KYC)

7.3.1 The objective of KYC guidelines is to prevent Banks from being used, intentionally or unintentionally, by criminal elements for money laundering activities. Related procedures also enable Banks to better understand their customers and their financial dealings. This helps them manage their risks prudently. Banks usually frame their KYC policies incorporating the following four key elements:

- Customer Acceptance Policy;
- Customer Identification and Documentation Procedures;
- Risk management; and
- Monitoring of Transactions.

²¹ Ref. Section 3.2.1 of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

²² Ref. Section 3.2.2 of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



7.4 Why Know Your Customer (KYC)

7.4.1 Sound KYC Procedures have particular relevance to the safety and soundness of a Bank in:

- They help to protect a Bank's reputation and the integrity of Banking system by reducing the likelihood of a Bank becoming a vehicle for or a victim of financial crime and suffering consequential reputation damage;
- They constitute an essential part of sound risk management (e.g., by providing the basis for identifying, limiting and controlling risk exposures in assets and liabilities, including assets under management).

7.5 Risks of Inadequate KYC

7.5.1 The inadequacy or absence of KYC standards can subject a Bank to the following serious customer and counterparty risks, which can result in significant financial cost to the Bank:

- **Reputational Risk** is the potential that adverse publicity regarding a Bank's business practices and associations, whether accurate or not, will cause a loss of confidence in the integrity of the Bank.
- **Operational Risk** is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events, e.g., weaknesses in the implementation of a Bank's programs, ineffective control procedures and failure to practice due diligence.
- **Legal Risk** is the possibility that lawsuits, adverse judgments or contracts that turn out to be unenforceable can disrupt or adversely affect the operations or conditions of a Bank.
- On the liabilities side, **Concentration Risk** is closely associated with funding risks, particularly the risk of early and sudden withdrawal of funds by large depositors, with potentially damaging consequences for the Bank's liquidity.

7.5.2 It is worth noting that all these risks are interrelated. However, any one of them can result in significant financial cost to a Bank (e.g. through the withdrawal of funds by depositors, the termination of inter-Bank facilities, claims against the Bank, investigation costs, asset seizures and freezes, and loan losses), as well as the need to divert considerable management time and energy to resolving problems that arise.



Chapter : 8

Customer Acceptance Policy

8.1 Introduction

8.1.1 Customers are vitally important for Banking business. Increasing competition is forcing Banks to pay much more attention to satisfy customers. Our motto is to extend our best services to the customers (**SERVICE FIRST**). However, we are also aware that sometimes customers pose the risk of money laundering and financing of terrorism to the financial institutions particularly Banks. So the inadequacy or absence of KYC standards can result in serious customer and counterparty risks, especially reputation, operational, legal and compliance risks. Collecting sufficient information about our customers is the most effective defense against being used as a medium to launder the proceeds of crimes and to finance the terrorism through Bank accounts.

8.1.2 As per Section 25 of the Money Laundering Prevention Act, 2012 and Amendment Act 2015, each Bank requires to keep satisfactory evidence of the identity of all customers it deals. Moreover, all Banks are required to make necessary arrangements to prevent any transaction which might be related to crimes as described in Anti-Terrorism Act, 2009 [as amended vide Anti-Terrorism (Amendment) Acts 2012 & 2013]. It is also the responsibility of each Bank to identify suspicious transactions of their customers with due care and diligence.

8.1.3 Pursuant to the above legal bindings as well as Para 2 of BFIU Circular No. 19 dated 17-09-2017, The Premier Bank Limited realizes the need for a well-defined customer acceptance policy to ensure prompt and inclusive services to all customers within the prescribed regulatory framework as well as defined processes of the Bank.

8.1.4 The Customer Acceptance Policy of Bank should not be used against the disadvantaged people or the people who have not proper identification document. A customer acceptance policy should encourage the ultimate goal of transparent, accountable and inclusive financial system in Bangladesh.

8.2 Definition of a Customer

8.2.1 For the purpose of this Policy, a customer may be defines as follows:

A **Customer** includes²³ -

- Any individual or entity that maintains an account of any type with a Bank or financial institution or have Banking related business.
- Any third party, either individual or entity, on whose behalf the account is operated (**Beneficial Owner**²⁴) directly or indirectly.
- A professional intermediary (such as lawyer/law firm, chartered accountant etc.) appointed for operating an account of Account holder, Trust or the Beneficial Owner under the existing legal infrastructure.
- Any individual or entity involved with High value single Occasional Transaction or any monetary transaction that may create any risks including the reputational risks of the Bank. In this case if a transaction appears abnormal in relation to the usual transaction considering the business/profession/profile of the concerned individual or entity that transaction will be treated as "high value".
- Any individual or entity defined by BFIU time to time.

8.3 Customer Acceptance Policy

8.3.1 Bank should develop a clear Customer Acceptance Policy (CAP) laying down explicit criteria for acceptance of customers. The Customer Acceptance Policy must ensure that explicit guidelines are in place to set-up any kind of business relationship with the Bank.

A concrete Customer Acceptance Policy is very important so that inadequate understanding of a customer's background and purpose for utilizing a Bank account or any other Banking product/service may not expose the Bank to a number of risks.

²³ Ref.: Section 3.1 of BFIU Circular No.-19/2017 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

²⁴ **Beneficial owner** refers to the natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement. Reference to "ultimately owns or controls" and "ultimate effective control" refer to situations in which ownership/ control is exercised through a chain of ownership or by means of control other than direct control. **Note:** It is required to conduct CDD of settlor, trustee, protector or any person with similar status or any beneficiary or class of beneficiaries who have hold effective control on trust, in case of identification of beneficial ownership of a legal arrangement.



8.4 Very High Risk Individual/Businesses/Entities

8.4.1 The **Bank shall not conduct business** with the following individuals or entities:

- **Anonymous or Fictitious Name**- No account shall be maintained or opened in anonymous or fictitious name²⁵.
- **Numbered Account**- No account only with numbers shall be maintained or opened²⁶.
- **“Shell Company”**- A company that is incorporated but has no significant asset or operation. These companies are often used by fraudulent operators as fronts in many money laundering schemes.
- **“Shell Banks”**- Correspondent Banking relationship with any **shell Bank**²⁷ should not be established or continued²⁸.
- **Respondent Banks having relationships with Shell Banks** - Correspondent Banking relationship shall not be established or continued with those respondent Banks that established correspondent Banking relationship or maintain account with a shell Bank .
- **Local Sanction List** – Banking relationship shall not be maintained or opened with individuals or entities listed under any local sanction list²⁹. Local Sanction List can be downloaded from <https://www.bb.org.bd/bfiu/openpdf.php>.
- **UN Sanction List** – Banking relationship shall not be maintained or opened with individuals or entities listed under the resolution of United Nations Security Council³⁰ (all other resolution including UNSCR 1373). UN Sanction List can be downloaded from http://www.un.org/sc/committees/list_compend.shtml.
- **Non Resident Account** – In respect of opening of a non-resident Bangladeshi's account branch shall follow all provisions of Foreign Exchange Regulation Act, 1947 and issued rules and regulations by Bangladesh Bank under this act have to be complied accordingly³¹.
- **Money Launderers** - Individuals or entities about whom information is available through reliable source indicating involvement in money laundering or any predicate offence.
- **Terrorists** - Individuals or entities about whom information is available through reliable source indicating involvement in terrorism or terrorist financing activities.
- **Illegitimate Business/Unclear Source of Fund** - Individuals or entities with businesses where we have doubts about the legitimacy of their activities or the source of funds.
- **Criminals** - Individuals or entities about whom information is available through reliable source indicating involvement in criminal conduct (e.g., those allegedly having links to drug trafficking, corruption or organized crime etc.).
- Casinos and betting companies including online/internet gambling companies, firearms dealers and other entities that may pose potential reputational risk to the Bank.
- **Inadequate KYC Standards** - Branches shall not open an account, where the branch is unable to apply appropriate Customer Due Diligence (CDD) measures, i.e.,
 - any individual or entity whose identities cannot be confirmed,
 - any individual or entity whose beneficial owner cannot be identified,
 - any individual or entity whose information on the purpose and intended nature of the business cannot be obtained,
 - who do not provide all required information, or
 - who have provided information that is false, or
 - who have provided information that contains significant inconsistencies that cannot be resolved after further investigation.
- **Mandate Holder** - A customer is permitted to act on behalf of another person/entity should be clearly spelt out in conformity with the established law and practices of Banking as there could be occasions when an account is operated by a mandate holder or where an account is opened by an intermediary in fiduciary capacity.

²⁵ Ref.: Section 2.1 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

²⁶ Ref.: Section 2.1 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

²⁷ **Shell Bank** means a bank that has no physical presence in the country which it is incorporated and licensed, and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision. Physical presence means meaningful mind and management located within a country. The existence simply of a local agent or low level staff does not constitute physical presence.

²⁸ Ref.: Section 2.3 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

²⁹ Ref.: Section 2.2 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

³⁰ Ref.: Section 2.2 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

³¹ Ref.: Section 3.5 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



- **Account Closing** - Decision by the Bank to close an account should be taken at a reasonably high level after giving due notice to the customer explaining the reasons for such decision.
 - **Caution** - However, the branch must be careful to avoid any sort of harassment to the customer.
- 8.4.2 **Screening for New Customers before Account Opening** Bank shall conduct screening for new customers before opening an account so as to ensure that the identity of the customer does not match with any individual or entity as described under Section 8.4.1 above. If any match is found, then the business relationship must not proceed for account opening.
- 8.4.3 **Record Keeping of Screening Report** - Bank should preserve all the screening report along with each & every account opening form.
- 8.5 Essential Requirements**
- 8.5.1 Branches must collect all necessary information of the customers and as such ensure that all relevant fields of the Uniform Account Opening Form, Individual Information Form and Transaction Profile developed in line with the guidelines of Bangladesh Financial Intelligence Unit (BFIU) are properly filled-in for all accounts³².
- 8.5.2 Documentary requirements and other information must be collected as per Chapter 9 of this Policy.
- 8.5.3 Customers' risk must be assessed as per risk perception parameters as defined in KYC Profile Form³³.
- 8.5.4 Information regarding source of fund of the transaction by the customer and Beneficial owner must be obtained at the time of account opening³⁴. In case of Company, detailed information of controlling shareholder or any any person who has controlling/ ownership interest to the company must be obtained. A controlling/ ownership interest depends on the ownership structure of the company. It may be based on a threshold, e.g. any person owning more than a certain percentage of the company (e.g. 20%).
- 8.5.5 The Branch shall verify the identity of the customer using reliable sources documents etc. and must retain copies of all references, documents used to verify the identity of the customer.
- 8.5.6 At the time of opening an account the branch must take care to seek only such information from the customer which is relevant and is not intrusive. It is mentioned that the customer profile is a confidential document and the details contained therein shall not be divulged for any other purposes.
- 8.5.7 If it becomes necessary to close an account due to non-cooperation of the customer in providing documents/information required by law/regulatory authority or any other reason whatsoever, the branch must be vigilant to do so. For example, decision to close an account should be taken at a reasonably high level after giving due notice to the customer explaining the reasons for such a decision.
- 8.5.8 It should be kept in mind that, the customer acceptance policy may require the most basic account opening requirements for a working individual with a small account balance. However, it is important that the policy is not so restrictive that it results in a denial of access by the general public to Banking services, especially for people who are financially or socially disadvantaged. Simplified Due Diligence should be done for low risk accounts like Student Accounts, Farmer's Accounts and other **No-Frill**³⁵ accounts.³⁶
- 8.5.9 On the other hand, quite extensive due diligence would be essential for an individual with a high net worth whose source of funds is unclear. In dealing with such the customers that are likely to pose a higher risk to the Bank, factors such as customers' background, country of origin, public or high profile position, linked accounts, business activities or other risk indicators should be considered.



³² Ref.: Annexure KA of of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

³³ Ref.: Annexure KA of of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

³⁴ Ref.: Para 3.3.3 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

³⁵ "No Frills" account is a basic banking account. Such account requires either nil minimum balance or very low minimum balance. Charges applicable to such accounts are low. Services available to such account are limited.

³⁶ Ref.: Section 3.4.Ga of BFIU Circular No.19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit

Chapter : 9

CUSTOMER IDENTIFICATION9.1 What Constitutes a Person's Identity

9.1.1 Collection and verification of the correct and full identification information of customers is an essential element for combating money laundering and terrorist financing and for keeping the financial sector free from risks.

9.1.2 Identity generally means a set of attributes which uniquely define a natural or legal person. There are two main constituents of a person's identity, remembering that a person may be any one of a range of legal persons (an individual, body corporate, partnership, etc.). For the purposes of this policy, the two elements are:

- the physical identity (e.g. name, date of birth, TIN/National ID/Passport/Birth Registration Certificate, etc.); and
- the activity undertaken.

9.2 Individual Customers

9.2.1 **Information Required:** "Personal Information Form" as issued by BFIU as a part of Uniform Account Opening Form shall be obtained from all individual applicants for opening accounts or other relationships and should be independently verified by the branch itself. However, at least following information should be obtained from all individual applicants for opening accounts or other relationships:

- True name and/or names used;
- Parents' names;
- Passport/NID/Smart ID/Birth Certificate;
- Current and permanent address;
- Details of occupation/employment and sources of wealth or income;
- TIN Number (if any);
- Telephone Number, etc.

9.2.2 **Photo Identification:** Identification documents, either originals or certified copies, should be pre-signed and bear a photograph of the applicant, e.g.:

- Photograph of the Customer (to be collected compulsorily);
- Photograph of the Guardian (if the Customer is a Minor);
- Photograph of the Nominee;
- At least any one of the followings -
 - Smart ID/National ID/Voter ID Card,
 - Current valid Passport,
 - Birth Registration Certificate

In case of Birth Registration Certificate, additionally, obtain acceptable photo ID. If photo ID not available then collect identification paper along with photo attested by important persons of the society such as Member of Parliament, Mayor/Deputy Mayor/Counselor of City Corporation, First Class Gezatted Officer, Teacher of public University, Chairman/Vice Chairman of Upazilla Council, Chairman of Union Council, Mayor/Counselor of Municipal Corporation, Principal of Private College, Head Master of Public & Private School, Editor of National News Paper, Notary Public and First Class Officer of the Semi-Government, Autonomous, Government Organization and Public Commercial Bank

- Trade License (if profession has been mentioned as Business).

9.2.3 **Proof of Address:** One or more of the following steps are recommended to verify address/contact point:

- National ID/ Smart ID—if address matches with the address declared in the Account Opening Form;
- Utility Bill (Gas/Electricity/Water etc.);
- Telephone Bill;
- House Rent/Lease Agreement;



- Proof of personal home/office visit by the Relationship Manager;
- Checking the receipt copy of Welcome Letter/Thanks Letter sent to the customer's address.

Proof of address must match with any of the addresses (i.e., residence address, permanent address or office address) mentioned in the Account Opening Form. The information obtained should demonstrate that a person of the mentioned name exists at the address given, and that the applicant is the person.

9.2.4 **Joint Accounts:** For Joint accounts, all parties must provide respective proof of documents. However, in following instances, husband's or father's proof of identity and residence would suffice:

- When wife is a housewife opening account with husband; and
- When dependent son/daughter opening account with father.

9.2.5 **Documents without Photographs:** Branches should be cautious in accepting documents which do not bear photographs or signatures, because such documents are easy to obtain and easy to forge.

9.2.6 **Updating Changes in KYC:** To ensure that records remain up-to-date and relevant, branches should undertake regular reviews of existing records. If a branch becomes aware at any time that it lacks sufficient information about an existing customer or there is a subsequent change to the customer's name, address or employment details, it should take steps to ensure that all relevant information is obtained and/or updated as quickly as possible.

9.3 **Individual Customers- Non-Resident Bangladeshis and Foreigners**

9.3.1 KYC requirement for individual customers as described above will also be applicable for non-resident Bangladeshi nationals and foreign nationals. However, the following additional documents should also be obtained:

9.3.2 **Additional Documents for Non-Resident Bangladeshi Nationals:**

- Valid work permit/employment agreement. For self-employed persons, declaration duly attested by Bangladesh Embassy/High Commission/Consulate in that country. For mariners – copy of Continuous Discharge Certificate (CDC);
- Residence permit.

9.3.3 **Additional Documents for Resident Foreign Nationals:**

- Valid visa and work permit;
- Permission under 18-A from Bangladesh Bank (not required for employees of Banks and local companies);
- Form QA-22 signed in duplicate by all signatories.

9.3.4 **Additional Documents for Non-Resident Foreign Nationals:**

- Income certificate duly attested by the appropriate authority.

9.4 **Sole Proprietorship**

9.4.1 **Information Required:** Same as mentioned in Chapter 9.2.1 for Individual Customers.

9.4.2 **Photo Identification:** Same as mentioned in Chapter 9.2.2 for Individual Customers.

9.4.3 **Proof of Address:** Same as mentioned in Chapter 9.2.3 for Individual Customers.

9.4.4 **Additional Documents:** However, the following additional documents should also be obtained:

- Photograph(s) of all signatories;
- Trade License (valid up-to-date copy);

9.5 **Partnership Concerns**

9.5.1 **Information Required:** Information as mentioned in Chapter 9.2.1 should be collected from all Partners.

9.5.2 **Photo Identification:** Photo ID of all Partners as mentioned in Chapter 9.2.2 should be collected.

9.5.3 **Proof of Address:** Proof of address for all Partners as mentioned in Chapter 9.2.3 should be verified.

9.5.4 **Additional Documents:** However, the following additional documents should also be obtained:

- Photograph(s) of all signatories;
- Trade License (valid up-to-date copy);
- Certified true copy of partnership deed of the partnership concern (if registered);



- Notarized copy of the partnership deed of the partnership concern (if unregistered);
- Certificate of Registration of the partnership concern;
- Partners' letter of authority for opening the account and authorization for its operation duly certified by the Managing Partner;
- List of partners with their addresses (as per Specimen given in Annexure E);
- Where a third party is authorized to operate a partnership account, a Mandate Form must be signed by all the partners and the signature of the third party should be attested thereon;
- Copy of the latest report and account (audited where applicable);
- An explanation of the nature of the business or partnership should also be ascertained (but not necessarily verified from a partnership deed) to ensure that it has a legitimate purpose.

9.6 Limited Liability Company Incorporated in Bangladesh

9.6.1 **Before Opening an Account:** Before a business relationship is established, branches should ensure that the applicant company is not in the process of being dissolved, struck off, wound-up or terminated.

9.6.2 **Documentary Requirements:** The following documents should normally be obtained from companies:

- Photograph(s) of all signatories;
- Trade License (valid up-to-date copy);
- Certified true copies of the Memorandum and Articles of Association or By-Laws of the company;
- Certified true copy of Certificate of Incorporation;
- Certified true copy of Certificate of Commencement of Business;
- Extract of Resolution of the Board/General Meeting of the company for opening the account and authorization for its operation duly certified by the Chairman/Managing Director of the company clearly mentioning the operating instruction;
- List/Register of directors;
- An explanation of the nature of the applicant's business, the reason for the relationship being established, an indication of the expected turnover, the source of funds and a copy of the last available financial statement where appropriate.

9.6.3 **Information Required, Photo Identification and Proof of Address of Individual Persons:** Information as mentioned in Chapter 9.2.1, Photo ID as mentioned in Chapter 9.2.2 and Proof of address as mentioned in Chapter 9.2.3 must also be collected for the following persons (i.e. individuals or legal entities):

- All of the directors who will be responsible for the operation of the account/transaction.
- All the authorized signatories for the account/transaction.
- All holders of powers of attorney to operate the account/transaction.
- The beneficial owner(s) of the company.
- The major shareholders holding controlling/ownership interest (i.e. 20%) or more shares in the company.

Exception: A letter issued by a corporate customer as per Specimen given in Annexure F is acceptable in lieu of Photo Identification Documents of their shareholders, directors and authorized signatories.

9.6.4 **Changes in Authorized Signatories:** When authorized signatories change, identities of all current signatories should be verified.

9.7 Limited Liability Company Incorporated outside Bangladesh

9.7.1 KYC requirement for Limited Liability Company incorporated in Bangladesh will also be applicable for Limited Liability Company incorporated outside Bangladesh.

9.7.2 **Additional Documents:** However, the following additional documents should also be obtained:

- Permission from Ministry of Industries;
- Permission under 18-B (Instead of 18-A) from Bangladesh Bank;
- Certificate of Listing/Filing with Registrar of Joint Stock Companies;
- Form QA-22 signed in duplicate by all signatories.



- 9.8 **Govt. Office (Ministries & Departments), State Owned Organization, Semi-Govt. or Autonomous Organization, Projects of different Ministries**
- 9.8.1 **Information Required:** Information as mentioned in Chapter 9.2.1 should be collected from all signatories.
- 9.8.2 **Photo Identification:** Photo ID of all signatories as mentioned in Chapter 9.2.2 should be collected.
- 9.8.3 **Proof of Address:** Proof of address for all signatories as mentioned in Chapter 9.2.3 should be verified.
- 9.8.4 **Additional Documents:** However, the following additional documents should also be obtained:
- Photograph(s) of signatories;
 - Approval letter from appropriate authority;
- 9.9 **Non-Government Organization (NGO)/Unincorporated Associations**
- 9.9.1 **Information Required:** Information as mentioned in Chapter 9.2.1 should be collected from all signatories.
- 9.9.2 **Photo Identification:** Photo ID of all signatories as mentioned in Chapter 9.2.2 should be collected.
- 9.9.3 **Proof of Address:** Proof of address for all signatories as mentioned in Chapter 9.2.3 should be verified.
- 9.9.4 **Additional Documents:** However, the following additional documents should also be obtained:
- Photograph(s) of signatories;
 - Certified true copy of the Constitution/By-laws/Rules of Charter;
 - Certificate of Registration from NGO Bureau;
 - List of members of the Governing Body/Executive Committee with their addresses;
 - Extract of resolution of the Governing Body/Executive Committee for opening the account and authorization for its operation or Power of Attorney;
 - Form QA-22 signed in duplicate by all signatories (foreign entity).
- 9.10 **Association/Club/Charity/Trust/Society/School/College/Madrasha**
- 9.10.1 **Information Required:** Information as mentioned in Chapter 9.2.1 should be collected from all signatories.
- 9.10.2 **Photo Identification:** Photo ID of all signatories as mentioned in Chapter 9.2.2 should be collected.
- 9.10.3 **Proof of Address:** Proof of address for all signatories as mentioned in Chapter 9.2.3 should be verified.
- 9.10.4 **Additional Documents:** However, the following additional documents should also be obtained:
- Photograph(s) of signatories;
 - Certified true copy of the Constitution/By-laws/Trust Deed/Memorandum and Article of Association;
 - Trust Deed and Rules (for Trusts);
 - Certificate of Registration/Recognition;
 - List of members of the Governing Body/Executive Committee with their addresses;
 - Extract of resolution of the Governing Body/Executive Committee for opening the account and authorization for its operation duly certified by the chairman/secretary of the association/club/charity/trust/society/school/college etc.;
- 9.10.5 **KYC Documentation** – Details of KYC documents required for any Account Opening are provided in Annexure – P.
- 9.11 **Unique Identification Code for Customer**
- 9.11.1 Bank shall use unique identification code for their customer who maintaining more than one account or availing more than one facility. Such unique identification system could facilitate Bank to avoid redundancy, and saves time and resources. This mechanism also enables Bank to monitor customer transactions effectively.



9.12 Walk-in³⁷/One-off/Floating Customers

9.12.1 Bank shall collect complete and correct information while serving Walk-in customer, i.e. a customer without having account. While issuing DD/PO or serving for TT/MT Bank should collect the following information of both applicant/sender and beneficiary/receiver of the fund:

- True Name;
- Detail address of the person;
- Profession;
- Bank Account Number (if any)
- Reason of Transaction;
- Source of Funds;
- Passport/NID/Birth Registration Certificate (In case of BRC, ID card with photo);
- Phone/ Mobile Number etc.

9.12.2 In case of Walk-in Customer transacting BDT 50,000 or below, Bank shall perform Simplified Customer Due Diligence and collect Name, Address and Phone Number of both applicant/sender and beneficiary/receiver of the fund.³⁸

9.12.3 In case of Walk-in Customer transacting above BDT 50,000 and below BDT 5,00,000 shall perform Simplified Customer Due Diligence and collect Photo ID (PID) along with Name, Address and Phone Number of both applicant/sender and beneficiary/receiver.³⁹

9.12.4 Complete CDD shall be performed for Walk-in Customers transacting amount of BDT 5,00,000 or more as Occasional Transaction⁴⁰.

9.12.5 At the request of account holder for issuing DD/PO or serving for TT/MT, Bank shall collect complete and correct information of receiver of fund as mentioned in Chapter 9.12.1 including source of fund and reason for fund transfer.

9.13 Online Transactions by Non-Accountholders

9.13.1 Online transactions in any account by any person other than the accountholder should be allowed only after ensuring proper KYC as mentioned in Chapter 9.12.1 including source of fund of that non-accountholder (Annexure D).

9.14 Positive Pay Instruction

9.14.1 As per instruction of Bangladesh Bank, Bank must **collect and preserve** "Positive Pay Instruction" from the customer for -

- cheque payment of Taka One Lac and above in case of all Corporate and Proprietorship organization; and
- cheque payment of Taka Five Lac and above in case of Individual Account.

9.15 Transaction Profile (TP)

9.15.1 Transaction Profile (TP) is an important document for monitoring transactions and recognizing suspicious transactions. Accordingly, Bank shall collect the declaration of customer (Transaction Profile or TP) about the transaction of customer account in the specified form (Annexure A). The following steps and points should be noted while preparing transaction profiles:

- Take interview with the customer and request him/her to fill in the Transaction Profile Form as recommended by BFIU (Annexure A). The main features of the Form for both deposit and withdraw would be:
 - Various types of transactions
 - No. of transactions (monthly)
 - Maximum size (per transaction)
 - Total value (monthly)

³⁷ Walk-in customer refers who is not an account holder of the Bank.

³⁸ Ref.: Section 3.4 Ka of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

³⁹ Ref.: Section 3.4 Kha of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

⁴⁰ Ref.: Section 3.3.1 Kha of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



- Before fill in, it has to be ensured by the Branch Officials that the customer's understanding is sufficient to fill the required cells of Transaction Profile.
 - All relevant fields of the TP must be filled-up properly and signed by all signatories.
 - Branch Officials shall assist the customer to fill-up the TP if any complexity arises.
 - Branch Officials must ensure that the amount of transaction declared in the TP commensurate with the nature of business/source of fund (i. e. **duly justified**) described in the AOF of the customer.
- 9.15.2 After reviewing the nature of the customer, the source of money in the account and the nature of transaction, Bank should decide the limit of the transaction profile upon verifying the accuracy of the given limits by the customer after 6 months of establishing business relation. If the actual transaction limit increases unusually compare to the declared transaction limit by the customer, Bank shall rectify the estimated limit upon discussing with the customer and if suspicious shall report STR/SAR, if necessary⁴¹.
- 9.16 Non-Face-to-Face Customers**
- 9.16.1 Banks are increasingly asked to open accounts on behalf of customers who do not present themselves for personal interview. This has always been a frequent event in the case of non-resident customers, but it has increased significantly with the recent expansion of postal, telephone, mobile, internet and electronic Banking.
- 9.16.2 Bank shall assess money laundering and terrorist financing risks while providing service to non-face to face customers and shall develop the policy and techniques to mitigate the risks, as well as will review that time to time. 'Non face to face customer' refers to "the customer who opens and operates his account by agent of the Bank or by his own professional representative without having physical presence at the Bank branch"⁴².
- 9.16.3 A typical example of a non-face-to-face customer is one who wishes to conduct electronic Banking via the Internet or similar technology. Electronic Banking currently incorporates a wide array of products and services delivered over telecommunications networks. The impersonal and borderless nature of electronic Banking combined with the speed of the transaction inevitably creates difficulty in customer identification and verification.
- 9.16.4 Even though the same documentation can be provided by face-to-face and non face-to-face customers, there is a greater difficulty in matching the customer with the documentation in the case of non-face-to-face customers. With telephone and electronic Banking, the verification problem is made even more difficult.
- 9.16.5 While providing modern technology-based service to non-face-to-face customers, we need to assess money laundering and terrorist financing risks under Money Laundering Prevention Acts, and adopt policies and procedures to mitigate those risks.
- 9.16.6 Prior designing non-face-to-face customer services/products, various risks posed by emerging technologies should be assess properly and customer identification procedures should be designed with due regard to such risks. In accepting business from non-face-to-face customers:
- Equally effective customer identification procedures and on-going monitoring standards shall also be applied for non-face-to-face customers as for those available for interview (face-to-face customers); and
 - there must be specific and adequate measures to mitigate the higher risk.
- 9.16.7 The followings are a few examples of measures to mitigate risks:
- certification of documents presented;
 - requisition of additional documents to complement those which are required for face-to-face customers;
 - independent verification by a reputable third party;
 - third party introduction, e.g. by an introducer subject to exercising the necessary due diligence in accordance with the standards set out in this Policy; or
 - requiring the first payment to be carried out through an account in the customer's name with another Bank subject to similar customer due diligence standards.
- 9.17 Fixed Deposit Receipts and Special Schemes**
- 9.17.1 Customers who are already maintaining transaction accounts (savings, current etc.) with the Bank will be allowed to place fixed deposit or open special schemes with the Bank. For these customers, KYC Forms (Annexure B or Annexure C whichever applicable) already attached with the original Account Opening Form will suffice.

⁴¹ Ref., Section 3.5.3 of BFIU Circular No. 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit.

⁴² Ref., Section 3.13 of BFIU Circular No. 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit.



- 9.17.2 Customers who are not maintaining any transaction accounts with the Bank, if they are allowed to place fixed deposits or open special schemes with the Bank, then KYC Form in Annexure B or Annexure C (whichever applicable) should be filled in.
- 9.18 Powers of Attorney/Mandates to Operate Accounts**
- 9.18.1 The authority to deal with assets under a Power of Attorney constitutes a business relationship and therefore, where appropriate, it may be advisable to establish the identities of holders of powers of attorney, the grantor of the power of attorney and third party mandates.
- 9.19 Provisions of Safe Custody and Safe Deposit Boxes**
- 9.19.1 Where facilities to hold boxes, parcels and sealed envelopes in safe custody are made available, it is expected that branches will follow the identification procedures set out in this policy. In addition, such facilities should only be made available to account holders.
- 9.20 Introduction of New Service & Technologies (Credit/Debit Cards/Gift Cards etc.)**
- 9.20.1 Appropriate KYC procedures shall be duly applied to customers using new technology driven products. Special attention to any money laundering threats that may arise from new or developing technologies including internet Banking that might favor anonymity shall be paid and if needed, necessary measures shall be taken to prevent their use in money laundering schemes.
- 9.20.2 Bank is engaged in the business of issuing a variety of Electronic Cards that are used by customers for buying goods and services, drawing cash from ATMs, and can be used for electronic transfer of funds. Full compliance with all KYC/AML/CFT guidelines issued from time to time, in respect of add-on/supplementary cardholders also shall be ensured.
- 9.20.3 Any kind of Pre-Paid Card (Gift Card, Hajj Card, Remittance Cards etc.) shall be given to customers on submission of a respective Form duly filled and signed by the customer. KYC verification shall be done for Cards on the basis of the form submitted by the customer as per the KYC & AML policy of the Bank.



Chapter : 10

OBTAINING INTRODUCTION**10.1 Introduction of an Account**

10.1.1 The Bank generally insists on "introduction" by a known person. Introduction is a process of ascertaining the identity of a person and his acceptability for establishing business relationship and verifying the true identity of the intending customer before opening an account.

10.2 Liabilities of the Introducer

10.2.1 Introduction should not be treated as a guarantee by the introducer of the account holder's transaction with the Bank. It will be expected that the introducer is in a position to identify/trace the account holder in case of need. Therefore, the customers will be advised that they should not introduce any account unless they know the prospective account holder well.

10.3 Who can be an Introducer

10.3.1 The following persons can introduce an account:

- Any employee of The Premier Bank Ltd. will be allowed to introduce an applicant provided that they have sufficient knowledge of the person introduced.
- Any other account holder who maintains an account with The Premier Bank Ltd may introduce an applicant.
- For non-resident/Foreign Currency accounts, introduction and authentication/verification of signatures will be made by a Bank/Bangladesh Embassy/High Commission/Consulate/ Notary Public/persons known to the branch.

10.4 Procedure for Introduction

10.4.1 The introducer will introduce the applicant & attest photographs of the applicant.

10.4.2 The introducer will be required to sign in the place "introduced by" of the account opening form. The signature should tally with his specimen signature recorded with the Bank. He will be required to mention the followings:

- Name;
- Account Number;
- Branch Name;
- Relation with Customer;
- Signature with date.

10.4.3 The introducer will be normally required to visit the branch for introducing the account. However, this need not be obligatory.



Chapter : 11

VERIFICATION OF GENUINENESS OF DOCUMENTS**11.1 Verification of Identity**

- 11.1.1 Clause 25(1)(Ka) of the Money Laundering Prevention Acts, requires us to retain correct and full information used to identify customers during their account relationships.
- 11.1.2 Clause 25(1)(Kha) of the Acts requires us to retain transaction related records for at least 5 (Five) years after termination of relationships with the customers.
- 11.1.3 Unless satisfactory evidence of the identity of potential customers is obtained in good time, the business relationship must not proceed.

11.2 Verification of Genuineness of Address

- 11.2.1 In all instances of opening of new accounts a welcome letter (also known as Thanks Letter) will be sent by the Branch through registered post at the recorded addresses to the customers with dual purpose, thanking them for opening the account with the Bank and for verification of genuineness of address furnished by the account holder. Undelivered envelopes in this regard will be followed up closely at per procedures mentioned in Branch Operations guidelines.
- 11.2.2 The Branch may also contact the customer at the telephone number provided in the account opening form or other documents to verify the address and other details.

11.3 Verification of National Identity Card (NID)/ Smart ID

- 11.3.1 Branch General Banking Officer or In-Charges or BAMLCO of the Branch shall conduct front-end screening with the National Election Commission Portal before opening an account so as to ensure that the NID/Smart Card is genuine as per National Election Commission Record and preserve the same with the respective account opening form.

11.4 Timing and Duration of Verification

- 11.4.1 The best time to undertake verification is prior to entry into the account relationship. Verification of identity should, as soon as is reasonably practicable, be completed before any transaction is completed.
- 11.4.2 However, if it is necessary for sound business reasons to open an account or carry out a significant one-off transaction before verification can be completed, this should be subject to stringent control, which should ensure that any fund received are not passed to third party. Alternatively, a senior member of staff may give appropriate authority.
- 11.4.3 This authority should not be delegated, and should only be done in exceptional circumstances. Any such decision should be recorded in writing.
- 11.4.4 Verification, once begun, should normally be pursued either to a satisfactory conclusion or to the point of refusal. If a prospective customer does not pursue an application, staff may (or may not) consider that this is in itself suspicious.



Chapter : 12

Customer Due Diligence (CDD) & Enhanced Due Diligence (EDD)**12.1 Legal Obligations of Customer Due Diligence (CDD)**

- 12.1.1 The Bank shall have to maintain complete and correct information with regard to the identity of its customers during the operation of their accounts and provide with the information maintained under the clause to Bangladesh Bank.
- 12.1.2 Customer Due Diligence (CDD) combines the Know Your Customer (KYC) procedure, Transaction Monitoring based on the information and data or documents collected from reliable and independent sources.
- 12.1.3 The CDD obligations on Banks under legislation and regulation are designed to make it more difficult to abuse the Banking industry for money laundering or terrorist financing. The CDD obligations compel Banks to understand who their customers are to guard against the risk of committing offences under MLP Acts including 'Predicate Offences' and the relevant offences under AT Acts. Therefore, Banks should be able to demonstrate to their supervisory authority to put in place, implement adequate CDD measures considering the risks of money laundering and terrorist financing. Such risk sensitive CDD measures should be based on-
- Type of customers;
 - Business relationship with the customer;
 - Type of Banking products; and
 - Transaction carried out by the customer.

12.2 Customer Due Diligence (CDD)

- 12.2.1 To protect our Bank from the risks of money laundering or/and terrorist financing by the willful or unwilling activities of the customers, Customer Due Diligence (CDD)⁴³ must be conducted at different stages such as:
- while establishing relationship with the customer.
 - while conducting financial transaction with the existing customer.
 - while suspecting that any transaction is related to money laundering or terrorist financing;
 - while there is reasonable ground to suspect about the adequacy or veracity of previously obtained customer identification data.
- 12.2.2 For the purpose of ascertaining the customer's identity and underlying purpose of establishing relationship with the Bank, the branch shall collect adequate information up to its satisfaction⁴⁴.
- Explanation:** "Satisfaction" means satisfaction of the appropriate authority that necessary due diligence has been conducted considering the risks of the customers in the light of existing directions.
- 12.2.3 **Power of Attorney or Mandate:** If a person operates an account on behalf of the customer, the concerned branch must satisfy itself that the person has due authorization to operate the same. Correct and complete information of the person, operating the account, are to be collected.
- 12.2.4 **Trustee and Professional Intermediaries⁴⁵:** Legal status and accuracy of information of the operators are to be ascertained in case of the accounts operated by trustee and professional intermediaries (such as lawyers/law firm, chartered accountants, etc.).
- 12.2.5 **Non-Cooperating Countries and Territories (NCCT)⁴⁶:** While establishing and maintaining business relationship and conducting transaction with a person (including legal representative, financial institution or any other institution) of the countries and territories that do not meet international standard in combating money laundering (such as the countries and territories enlisted in Financial Action Task Force's Non-Cooperating Countries and Territories list) enhanced due diligence shall have to be ensured.
- 12.2.6 **Beneficial Owners of an Account⁴⁷:** The identity of the beneficial owner(s) of an account shall have to be confirmed on the basis of the information obtained from reliable sources up to the satisfaction of the branch:
- i. Complete and correct information of identity of the persons besides the customer, shall have to be

⁴³ Ref: Section 3.3 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU)

⁴⁴ Ref: Section 3.3.2 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU)

⁴⁵ Ref: Section 3.2.4 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU)

⁴⁶ Ref: Section 3.12.2 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU)

⁴⁷ Ref: Section 3.3.3 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU)



collected and preserved if a customer operate an account on behalf of another person in his/her own name.

- ii. The controller or the owner of the customer shall have to be identified.
- iii. Complete and correct information of identity of the beneficial owners (as per the definition of BFIU Circular No. 19) shall have to be collected and preserved. For the purpose of this subsection a person will be treated as a beneficial owner if:
 - s/he has controlling share of a company or/and
 - s/he holds controlling/ownership interest to that company.
- iv. In case of carrying out the instruction mentioned above in ii-iii, if no Natural Person is found, complete & accurate information of the Managing Director should be taken and preserved.

12.3 In case where conducting the CDD Measure is not possible

12.3.1 If conducting the CDD measure becomes impossible because of the non-cooperating behavior of the customer or if the collected information seemed to be unreliable, that is, Bank could not collect satisfactory information on customer identification and could not verify that, Bank should take the following measures:

- must not carry out a transaction with or for the customer through a Bank account;
- must not establish a business relationship or carry out an occasional transaction with the customer;
- must terminate any existing business relationship with the customer;
- must consider whether it ought to be making a report to the BFIU through an STR.

12.4 Ongoing CDD Measure/Review & Update the KYC

12.4.1 Bank shall take necessary measures to review and update the KYC of the customer after a certain interval. This procedure shall have to be conducted in **every five years in case of low risk customers**. Furthermore, this procedure shall have to be conducted **every year in case of high risk customers**. But, Bank shall update the changes⁴⁸ in any information on the KYC as soon as Bank gets to be informed. Moreover, Bank should update KYC information anytime if there is any particular necessity realized. Depending on the updated information, the risks associated with these accounts shall have to be assessed again without any delay⁴⁹. Bank should take more precautions for the customers receiving Privileged Banking Service by them.⁵⁰

12.4.2 Any subsequent change to the customer's name, address, or employment details of which the financial institution becomes aware should be recorded as part of the CDD process. Generally this would be undertaken as part of good business practice and due diligence but also serves for prevention of money laundering and terrorist financing.

12.5 Enhanced CDD Measures

12.5.1 Bank shall conduct Enhanced CDD measures, when necessary, in addition to normal CDD measures. Bank shall conduct Enhanced Due Diligence (EDD) under the following circumstances:

- Individuals or legal entities scored with high risk;
- Individuals who are identified as politically exposed persons (peps), influential persons (if considered High Risk) and chief executives or top level officials of any international organization (if considered High Risk);
- Transactions identified as unusual in regards to its pattern, volume and complexity which have no apparent economic or lawful purposes;
- While establishing and maintaining business relationship and conducting transaction with a person (including legal representative, financial institution or any other institution) of the countries and territories that do not meet international standard in combating money laundering and terrorism financing (such as the countries and territories enlisted as High –Risk and Non- Cooperative Jurisdictions in the Financial Action Task Force's Public Statement).

⁴⁸ Changes refer to change in customer's profession/ nature of business, change in ownership, change in transaction pattern, media report etc.

⁴⁹ Ref: Section 3.5.4 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU)

⁵⁰ Ref: Section 3.12 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU)



12.5.2 Enhanced CDD Measures Includes:

- Obtaining additional information on the customer (occupation, volume of assets, information available through public databases, internet, etc.) and updating more regularly the identification data of customer and beneficial owner.
- Obtaining additional information on the intended nature of the business relationship.
- Obtaining information on the source of funds or source of wealth of the customer.
- Obtaining information on the reasons for intended or performed transactions.
- Obtaining the approval of CAMLCO to commence or continue the business relationship when applicable.
- Conducting regular monitoring of the business relationship, by increasing the number and timing of controls applied and selecting patterns of transactions that need further examination.
- Making aware the concerned Bank officials about the risk level of the customer.

12.6 Politically Exposed Persons (PEPs)⁵¹

12.6.1 Bank shall assess and determine their all clients whether they are PEP's or **Influential Persons** (if considered High Risk) or **Chief Executives or Top Level Officials of any International Organization and their Linked Entities** (if considered High Risk) or **their Close Family Members and Close Associates**. These customers pose a higher risk of money laundering, bribery, corruption and reputational risk to the Bank due to their current or former position of political power or influence, which makes them more vulnerable to corruption. Relationships with these customers may increase the risk to the Bank due to the possibility of that individuals holding such positions may misuse their power and influence for personal gain or advantage or for the personal gain or advantage of their Close Family Members and Close Associates. The person's status (PEP's, Influential Persons and chief executives or top level officials of any international organization) itself does not incriminate individuals or entities. It does, however, put a prospective or existing Client into a higher risk category.

12.6.2 **Politically Exposed Persons (PEPs)** refer to individuals who are or have been entrusted with prominent public functions **in a foreign country**, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials. The following individuals of **other foreign countries** must always be classed as PEPs:

- a. heads and deputy heads of state or government;
- b. senior members of ruling party;
- c. ministers, deputy ministers and assistant ministers;
- d. members of parliament and/or national legislatures;
- e. members of the governing bodies of major political parties;
- f. members of supreme courts, constitutional courts or other high-level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances;
- g. heads of the armed forces, other high ranking members of the armed forces and heads of the intelligence services;
- h. heads of state-owned enterprises.

12.7 Influential Persons (IPs)⁵²

12.7.1 **Definition of Influential Persons** refers to, "Individuals who are or have been entrusted with prominent public functions, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials." The following individuals must always be classed as Influential persons:

- a. heads and deputy heads of state or government;
- b. senior members of ruling party;
- c. ministers, state ministers and deputy ministers;
- d. members of parliament and/or national legislatures;
- e. members of the governing bodies of major political parties;
- f. Secretary, Additional secretary, joint secretary in the ministries;

⁵¹ Ref.: Section 3.8 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

⁵² Ref.: Section 3.9 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



- g. Judges of supreme courts, constitutional courts or other high-level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances;
 - h. governors, deputy governors, executive directors and general managers of central Bank;
 - i. heads of the armed forces, other high ranking members of the armed forces and heads of the intelligence services;
 - j. heads of state-owned enterprises;
 - k. members of the governing bodies of local political parties;
 - l. ambassadors, chargés d'affaires or other senior diplomats;
 - m. city mayors or heads of municipalities who exercise genuine political or economic power;
 - n. board members of state-owned enterprises of national political or economic importance.
- 12.8 Chief Executive of any International Organization or any Top Level Official⁵³**
- 12.8.1 Chief executive of any international organization or any top level official** refers to, "Persons who are or have been entrusted with a prominent function by an international organization refers to members of senior management, i.e. directors, deputy directors and members of the boards or equivalent functions." The heads of international organizations and agencies that exercise genuine political or economic influence (e.g. the United Nations, the International Monetary Fund, the World Bank, the World Trade Organization, the International Labor Organization) must always be classed as this category.
- 12.9 Family Members and close Associates of PEPs, IPs & Chief Executives or Top Level Officials of International Organization**
- 12.9.1 Family Members and close Associates of PEPs, IPs & Chief Executives or Top Level Officials of International Organization** refers to, "close family members and close associates of above categories (Chapter 12.6-12.8) will also be classified as the same category". Close Family Members include:
- a. the PEP's/influential persons/chief executive of any international organization or any top level official's spouse (or any person considered as equivalent to the spouse);
 - b. the PEP's/influential persons/chief executive of any international organization or any top level official's children and their spouses (or persons considered as equivalent to the spouses); and
 - c. the PEP's/influential persons/chief executive of any international organization or any top level official's parents;
- 12.9.2** There may be exceptional circumstances where the individual should not be classified as a Close Family Member of the PEP/Influential Person/Chief executive of any international organization or any top level official, such as estrangement, divorce etc. In such cases, the circumstances must be thoroughly investigated, examined and caution exercised.
- 12.9.3** In addition, where other family members such as the siblings, cousins, relatives by marriage of the PEP/ Influential Person/Chief executive of any international organization or any top level official are deemed, by virtue of the nature of the relationship, to have a close relationship with the PEP/ Influential Person/Chief executive of any international organization or any top level official, they should also be classified as same category.
- 12.9.4** A Close Associate of a PEP/Influential Person/Chief executive of any international organization or any top level official includes:
- a. an individual who is known to have joint beneficial ownership or control of legal entities or legal arrangements, or any other close business relations with the PEP/ Influential Person/Chief executive of any international organization or any top level official; and
 - b. an individual who has sole beneficial ownership or control of a legal entity or legal arrangement which is known to have been set up for the benefit of the PEP/ Influential Person/Chief executive of any international organization or any top level official.
- 12.9.5** In addition, it should include any person publicly or widely known to be a close business colleague of the PEP, including personal advisors, consultants, lawyers, accountants, colleagues or the PEP's fellow shareholders and any person(s) that could potentially be benefitted significantly from close business associations with the PEP.

⁵³ Ref: Section 3.10 of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).



12.10 Existing Customers or Beneficial Owners who become PEPs, IPs & Chief Executives or Top Level Officials of International Organization

- 12.10.1 Existing Customers or Beneficial Owners who become PEPs, IPs & Chief Executives or Top Level Officials of International Organization Later - The above instructions shall equally be applicable to customers or beneficial owners who become PEPs, IPs & Chief Executives or Top Level Officials of International Organization after business relationship have been established.

12.11 Customer Due Diligence (CDD) measures for PEPs, /IPs (if considered High Risk) / Chief Executives or Top Level Officials of International Organization (if considered High Risk) and their Close Family Members & Associates

While identified that the customer is PEP /IP (if considered High Risk)/ Chief Executive or Top Level Official of International Organization (if considered High Risk) and their Close Family Members & Associates then Bank shall apply Enhanced CDD measures that is set out in Chapter 12.5 of this guidelines. Moreover, they need to perform the following-

1. Bank have to adopt the Risk Based Approach to determine whether a customer or the real beneficial owner of an account is a PEP, /IP / Chief Executive or Top Level Official of International Organization and their Close Family Members & Associates;
2. obtain CAMLCO's approval (where necessary) before establishing such business relationship;
3. take reasonable measures to establish the source of fund of a PEP, /IP / Chief Executive or Top Level Official of International Organization and their Close Family Members & Associates accounts;
4. monitor their transactions in a regular basis; and
5. all provisions of Foreign Exchange Regulation Act, 1947 and issued rules and regulations by Bangladesh Bank under this act have to be complied accordingly.



Chapter : 13

Wire Transfer

13.1 Definition

- 13.1.1 **Wire transfer** refers to such financial transactions that are carried out on behalf of an originator (person or institution) through a financial institution by electronic means with a view to making an amount of funds available to a beneficiary person at a beneficiary financial institution.
- 13.1.2 **Cross-border transfer** means any wire transfer where the originator and the beneficiary Bank or financial institutions are located in different countries. It may include any chain of wire transfers that has at least one cross-border element.
- 13.1.3 **Domestic wire transfer** means any wire transfer where the originator and receiver are located in the same country. It may also include a chain of wire transfers that takes place entirely within the borders of a single country even though the system used to affect the wire transfer may be located in another country.
- 13.1.4 **The Applicant/Originator** is the account holder, or where there is no account, the person (natural or legal) that places the request with the Bank to perform the wire transfer.
- 13.1.5 **The Beneficiary** means any individual or entity (account holder or non-account holder) who is the ultimate beneficiary of wire transfer.
- 13.1.6 **Complete** refers to combination of all information for verifying the identity of the Applicant or Beneficiary. **For example:** name and detail address of the Applicant or Beneficiary, Bank Account Number (if any), Passport/National Identity Card/Birth Registration Certificate/acceptable ID card with photo, phone/ mobile number etc.
- 13.1.7 **Accurate** refers to such complete information that has been verified for accuracy of the above (Chapter 13.1.6).
- 13.1.8 **Meaningful** means such type of information as stated above (Chapter 13.1.6) which is apparently correct in consideration of logical view.

13.2 Cross-Border Wire Transfers

- 13.2.1 Under general or special consideration in case of threshold cross-border wire transfers of USD 1,000 (one thousand) or above USD or equivalent foreign currency, Bank shall collect and preserve full and accurate information of the originator and send the same to intermediary/ beneficiary Bank.
- 13.2.2 For cross-border wire transfers, below the threshold as mentioned above (Chapter 13.2.1), Bank shall collect and preserve full and meaningful information of the originator.
- 13.2.3 For providing money of cross-border wire transfers to beneficiary, Bank shall collect and preserve full and meaningful beneficiary information.
- 13.2.4 Where several individual cross-border wire transfers from a single originator are bundled in a batch file for transmission to beneficiaries, the batch file has to contain required and accurate originator information, and full beneficiary information. In addition, Bank should include the account number of the originator.

13.3 Domestic Wire Transfers

- 13.3.1 In case of threshold domestic wire transfers of at least 25,000/- (twenty five thousands) BDT, Bank shall collect and preserve full and accurate information of the originator and send the same to intermediary/ beneficiary Bank/Institution.
- 13.3.2 For domestic wire transfers, below the threshold as mentioned above (Chapter 13.3.1), Bank shall collect and preserve full and meaningful information of the originator.
- 13.3.3 For providing money of domestic wire transfers to beneficiary, Bank shall collect and preserve full and meaningful information of beneficiary.
- 13.3.4 In case of wire transfer by using debit or credit card (except buying goods and services), Bank shall preserve the similar information as above (Chapter 13.3.1) in the payment related message/instructions.
- 13.3.5 The above mentioned instruction is not mandatory for wire transfer in favor of Govt./Semi Govt./Autonomous bodies.
- 13.3.6 InterBank transfers and settlements where both the originator and beneficiary are Banks or financial institutions would be exempted from the above (Chapter 13.3.1 & 13.3.2) requirements.



13.4 Duties of Ordering, Intermediary and Beneficiary Bank in Case of Wire Transfer

- 13.4.1 PBL (**ordering Bank**) shall ensure that qualifying wire transfers contain required and accurate information of originator, and required beneficiary information. These information should preserve minimum 5 (five) years.
- 13.4.2 For cross-border and domestic wire transfers, where PBL working as an **Intermediary Bank** between ordering Bank and beneficiary Bank, Bank should ensure that all originator and beneficiary information that accompanies a wire transfer is retained. A record should be kept, for at least five years, by the Bank of all the information received from the ordering Bank/financial institution (or as necessary another intermediary financial institution).
- 13.4.3 PBL should have effective risk-based policies and procedures for determining reasonable measures to identify wire transfers that lack required originator information or required beneficiary information such as execution, rejection, or suspension of that wire transfer and the appropriate follow-up action. Such measures should be consistent with straight-through processing.
- 13.4.4 As a Beneficiary Bank, PBL should have risk based procedure to identify wire transfers that lack required originator or required beneficiary information. In case of insufficient originator information, Bank should collect those information through mutual communication or using any other means. During the payment to receiver/beneficiary, Bank should collect full and accurate information of receiver/beneficiary and preserve the same for 5 (five) years.
- 13.4.5 As an Intermediary Bank, PBL should have effective risk-based policies and procedures for determining reasonable measures to identify wire transfers that lack required originator information or required beneficiary information such as execution, rejection, or suspension of that wire transfer and the appropriate follow-up action. Such measures should be consistent with straight-through processing.

13.5 CDD for Beneficial Owners

- 13.5.1 Bank shall apply CDD obligations for the beneficial owners of the accounts before or during the course of establishing a business relationship or conducting occasional transactions. In doing so, Bank should put in place appropriate measures to identify beneficial owner. PBL, upon its own satisfaction ensure CDD of beneficial ownership by collecting information and documents from independent and reliable sources that includes publicly available information, information from customer or information from other reliable sources. For companies, if no Natural Person(s) is found, Bank shall collect and preserve complete and accurate information of the Managing Director.
- 13.5.2 Bank shall consider following aspects while identifying **Beneficial Ownership** includes:
- Any natural person operating accounts on behalf of customer;
 - Any person (whether acting alone or together) who has controlling interest or ownership interest on a customer who might be legal entity or legal arrangements. Where there is any doubt identifying controlling interest, the Bank should consider other means to determine controlling interest or ownership of a legal entity or arrangements. In addition to that Bank should also consider reasonable measures to verify the identity of the relevant natural person who hold senior management position;
 - Any person or entity who has controlling or ownership interest⁵⁴ or shareholding within any or legal entity.
 - The settler(s), trustee(s), the protector, the beneficiaries or class of beneficiaries, or any other natural person who exercises control over the trust.
 - Any person in equivalent or similar position for trust (as mentioned above) should consider for other types of legal arrangements. Where, a natural or legal persons who holds controlling interest, listed on a stock exchange and subjects to disclosure requirements or majority owned subsidiaries of such listed companies may exempted from identifying or verifying beneficial ownership requirements.

13.6 Reliance on Third Party

- 13.6.1 Bank could rely on the third parties to perform the CDD measures with the prior permission of Bangladesh Bank which may include:
- a. identify and verify customer identity;
 - b. identify the beneficial ownership and control structure; and
 - c. identify the purpose and nature of the business relationship under the following criteria:
 - A third party should immediately obtain necessary information related to as mentioned above (a, b & c);

⁵⁴ A controlling ownership interest depends on the ownership structure of the company. It may be based on a threshold, e.g. any person owning more than a certain percentage of the company (e.g. 20%)



- All necessary data and documents held with the third party must be available for the Bank without any delay;
- Bank should satisfy that third party is regulated, supervised and monitored for, and has taken appropriate measures in compliance with CDD and record keeping requirements set out in this Guidelines.



Chapter: 14

KNOW YOUR CUSTOMER (KYC) PROCEDURE

14.1 Know Your Customer (KYC) Procedure

14.1.1 Each Branch is required to perform due diligence on all prospective clients before opening an account. The due diligence on KYC Procedure consists of the following 2 (two) parts:

- (1) **Identify all persons related with an account**: viz. all accountholders, signatories, mandates, power of attorney holders, directors and beneficial owners holding controlling number of shares in a company⁵⁵:
 - (a) **Information Required**: fill-up all relevant fields of **Individual Information Form**⁵⁶ for each person.
 - (b) **Identification Documents**: obtain each person's Photographs and copies of National ID/ Smart ID/Passport/Birth Registration Certificate (details discussed in Chapter 9.2.2).
 - (c) **Transaction Profile (TP)**⁵⁷: signed by all signatories (For Transaction Accounts only).
- (2) **Risk Classification of accounts based on Activity/KYC Profile**⁵⁸: by **KYC Profile Form** (Annexure B/ Annexure C), which is filled-up based on the information, identification documents and Transaction Profile obtained from the customer(s).

14.1.2 Therefore, all branches must ensure the followings at the time of opening an account:

- (1) Separate **Individual Information Forms** have been filled-up for all persons related with an account and signed by the customer. The more the number of related persons in an account, the more the number of Individual Information Forms to be completed. Branch Official must ensure that all relevant fields have been filled-in.
- (2) **Identification Documents** of all persons related with the account have been obtained.
Exception: A letter issued by a corporate customer as per Specimen given in Annexure E is acceptable in lieu of Photo Identification Documents of their shareholders, directors and authorized signatories.
- (3) **All relevant fields** of the **Transaction Profile (TP)** have been filled-up properly and signed by all signatories. Branch Official shall assist the customer to fill-up the TP and must ensure that the amount of transaction declared in the TP commensurate (duly justified) with the nature of business/source of fund described in the AOF of the customer.
Note: Transaction Profile is required for Transaction Accounts only (e.g., SB, CD, SND etc.). It is not required for FDR/Special Scheme accounts.
- (4) **All relevant fields** of the **KYC Profile Form** have been filled-up properly based on the information provided by the customer in the AOF & TP and information obtained by the Branch Official from interview of the customer. KYC Profile Form should be signed by the Branch Official and counter signed by the Branch Manager.

For **FDR/Special Scheme Accounts**, a separate KYC Profile Form (Annexure B for Individual/ Annexure C for Non-Individual) is to be filled-in.

14.1.3 The KYC Profile information will also include the observations of the Bank's staff/officers when they visit the customer's business place, like:

- the business place is owned or rented,
- the type of clients visited,
- by what method the client is paid (Cheque or cash) etc.

The staff/officer will record his/her observations and sign the KYC Profile form.

⁵⁵ Ref.: Section 3.3.3 of BFIU Circular No.19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit

⁵⁶ Ref.: Annexure Ka of BFIU Circular No.19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit

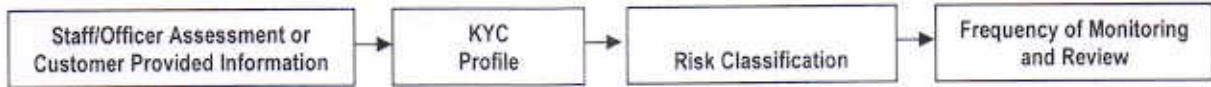
⁵⁷ Ref.: Annexure Ka of BFIU Circular No.19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit

⁵⁸ Ref.: Annexure Ka of BFIU Circular No.19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit



14.1.4 Once the identification procedure has been completed and the customer started financial transactions, the branch should monitor transactions of the account to ensure that it is consistent with the nature of business stated in the account opening form.

14.1.5 The KYC Profile leads to Risk Classification of the Account as High or Low Risk:



14.1.6 Details discussed in Chapter 15 – Risk Management.



Chapter: 15

RISK MANAGEMENT15.1 Risk Categorization, Based on Activity/KYC Profile

15.1.1 When opening accounts, the concerned staff/officer must assess the risk that the accounts could be used for 'money laundering', and must classify the accounts as either High Risk or Low Risk.

15.1.2 **Risk Rating:** The risk assessment may be made using the KYC Profile Form given in Annexure B for Individual/ Annexure C for Non-Individual in which the following 7 risk categories are scored using a scale of 1 to 5, where scale 5 denotes High Risk, scale 3 denotes Medium Risk and scale 1-2 denotes Low Risk;

- a. Occupation or nature of customer's business
- b. Net worth/monthly income of the customer
- c. Mode of opening the account
- d. Expected value of monthly transactions
- e. Expected number of monthly transactions
- f. Expected value of monthly cash transactions
- g. Expected number of monthly cash transactions

15.1.3 **Allocation of Higher Rating:** Considering customer's Nature of Business or Profession, Business Area, Size of Business, Actual Owner of the Account etc., higher Rating may be given in respect of Profession and Rating mentioned in Sl. No. 01-28.

15.1.3 **Risk Assessment:** The risk scoring of **less than 14 indicates Low Risk and 14 & more would indicate High Risk**. The risk assessment scores are to be documented in the KYC Profile Form (Annexure B/ Annexure C).

15.1.4 **Judgmental Risk Assessment:** However, management may judgmentally override this automatic risk assessment to "High Risk" although Risk Rating may be less than 14, nevertheless the customer may be classified as High Risk Customer depending on subjective judgment mentioning reasons.

15.1.5 **Update of KYC and Transaction Profile:**

15.1.6 **Politically Exposed Persons (PEPs):** If the customer is a **Politically Exposed Person** as defined in Chapter 12.6 of this Policy, then the account will automatically become a High Risk Account.

15.1.7 Branches should exercise the following **Enhanced Due Diligence (EDD)**, for all high risk accounts:

- A risk management system shall have to be introduced to identify risks associated with the opening and operation of high risk accounts.
- Approval from the CAMLCO has to be obtained prior establishing business relationships with such customers.
- Reasonable measures to establish the source of wealth and source of funds have to be taken. The KYC Form given in Annexure B/ Annexure C may be used in this purpose.
- Transactions of these accounts have to be monitored on an ongoing basis.



Chapter: 16

KNOW YOUR CUSTOMER (KYC) FOR CORRESPONDENTS**16.1 Definition of Correspondent Banking**

16.1.1 Correspondent Banking/Cross Border Correspondent Banking is the provision of Banking services by one Bank (the "correspondent Bank") to another Bank (the "respondent Bank"). These services include credit, deposit, collection, clearing, payment, and cash management, international wire transfer, drawing arrangement for demand draft or other similar services approved by Bangladesh Bank.

16.2 Essential Requirements for Correspondent Banking Relationships

16.2.1 While establishing and continuing correspondent Banking relationship following drill should be observed so that Banking system cannot be abused for the purpose of money laundering⁵⁹:

16.2.1.1 **CAMLCO Approval**: Before providing Correspondent Banking Service, CAMLCO approval must be obtained on being satisfied about the nature of the business of the respondent Bank through collection of information as per Annexure H.

16.2.1.2 **Sufficient Information**: The information to be collected should also include details about the respondent Bank's management, major business activities, where it is located, its money laundering prevention efforts, the system of Bank regulation and supervision in the respondent Bank's country, the purpose of the account etc.

16.2.1.3 **Effective Supervision by the Relevant Authority**: Bank shall establish or continue a correspondent relationship with a foreign Bank only if it is satisfied that the Bank is effectively supervised by the relevant authority.

16.2.1.4 **"Shell Banks"**: Correspondent Banking relationship with any shell Bank should not be established or continued.

16.2.1.5 **Respondent Banks having relationships with Shell Banks**: Correspondent Banking Relationship shall not be established or continued with those respondent Banks that established correspondent Banking relationship or maintain account with a shell Bank.

16.2.1.6 **Non-Cooperating Countries and Territories (NCCT)**: Particular attention shall have to be paid while maintaining correspondent Banking relationships with the Banks incorporated in a jurisdiction that do not meet the international standards for prevention of money laundering (such as the countries and territories enlisted in Financial Action Task Force's Non-Cooperating Countries and Territories list). Enhanced due diligence shall be required in such cases. Detailed information on the beneficial ownership of such Banks and extensive information about their policies and procedures to prevent money laundering shall have to be obtained.

16.2.1.7 **Payable Through Account**: If any respondent Bank allow direct transactions by their customers to transact business on their behalf (i.e. payable through account);

- the corresponding Bank must be sure about the appropriate CDD of the customer has done by the respondent Bank.
- Moreover, it has to be ensured that collecting the information on CDD of the respective customer is possible by the respondent Bank on request of the correspondent Bank.

Here, 'Payable through accounts' refers to "Correspondent accounts that are used directly by third parties to transact business on their own behalf."⁶⁰

16.2.1.8 **Existing Correspondent Accounts**: The above instructions shall also be applicable for the correspondent Banking relationships already established.

⁵⁹ Ref.: Section 3.11 of BFIU Circular No 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit.

⁶⁰ Ref.: Section 3.11.6 of BFIU Circular No 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit.



Chapter : 17

AGENT BANKING

17. Agent Banking:

17.1 "Agent Banking" means the business of providing banking services through agent's network.⁶¹ The purpose of Agent banking is providing limited scale banking services to the underserved population through engaged agents under a valid agency agreement, rather than a teller/cashier.⁶²

17.2 For operating Agent Banking activities concerned bank shall follow the below mentioned instruction:

1. Along with the agent, Bank shall be equally responsible to comply with any & all instruction related to ML & TF.
2. Unique Account Opening Form issued by BFIU, shall be used to open an account of agent and customer.
3. Bank shall be aware to identify and report any suspicious transaction/ activity (if any) of agent and customer.
4. Bank shall include the AML & CFT programs to the banking compliance program of the agents and arrange necessary trainings, workshops etc.
5. In terms of selecting the agents and monitoring their activities, bank shall take below mentioned steps:
 - Performing appropriate Screening Mechanism⁶³ to complete and accurate KYC for choosing right agents;
 - Assessing Risk level (High, Medium, Low) of agents considering transaction number & amount, geographical location, type of business & ownership and other related matters and upon considering the risk level bank shall supervise the transaction and the activity of agents;
 - Bank shall assess the risk of agents on going basis.
 - Verifying the status related to AML & CFT for agents;
 - Performing audit/ visit for High Risk Agents on yearly basis for verifying the status on AML & CFT and send the report to AML Division;
 - Performing audit/ visit for Medium & Low Risk Agents in certain intervals
 - Publish the updated list of agent list (January- June basis) in Bank's website;
 - Publish the updated list of agents (January- June basis) in Bank's website with whom the business relationship has been cancelled for different complaints or irregularity;



⁶¹ Ref: Section 2.2 of Part I of Prudential Guidelines for Agent Banking Operation in Bangladesh, 2017 issued by Bangladesh Bank.

⁶² Ref: Section 4. of Part II of Prudential Guidelines for Agent Banking Operation in Bangladesh, 2017 issued by Bangladesh Bank.

⁶³ In the Screening Mechanism, subject related to screening of personal and financial information of a selected employee for appointment and whether there is any involvement with any criminal activity of the same shall be included.

Chapter : 18

MONITORING TRANSACTIONS18.1 Introduction

18.1.1 Continuous monitoring is an essential element of effective KYC procedures. Risk can be effectively controlled and reduced only if an understanding of the normal and reasonable activity of the customer is available to identify transactions that fall outside the regular pattern of activity. However, the extent of monitoring shall depend on the risk sensitivity of the account. Special attention shall be paid to all complex, unusually large transactions and all unusual patterns, which have no apparent economic or visible lawful purpose.

18.1.2 Ongoing due diligence with respect to the business relationship with every client shall be exercised and the transactions shall be examined closely in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and where necessary, the source of funds.

18.2 Transaction Monitoring

18.2.1 Bank shall monitor the transactions of customer on a regular basis with

- the complex transaction,
- the transactions with deviation from normal transaction and
- the transactions that does not have reasonable purpose or the transaction with unusual pattern shall have to be more emphasized during monitoring.

18.2.2 Bank shall develop an effective system to review the risk by maintaining a specific time interval; and according to the review, Enhanced Due Diligence (EDD) has to be maintained for accounts that are in high risk category. The Bank shall put in place various ways of transaction monitoring mechanism within their branches that includes but not limited to the followings:

- Transactions in local currency;
- Transactions in foreign currency;
- Electronic Transactions;
- Transactions above the designated threshold determined by the branch;
- Cash transactions under CTR threshold to find out structuring;
- Transactions related with international trade;
- Transaction screening with local and UN Sanction list.

18.3 Transaction Profile (TP)

18.3.1 Transaction Profile (TP) is an important document for monitoring transactions and recognizing suspicious transactions. The following steps and points should be noted while preparing transaction profiles:

- Take interview with the customer and request him/her to fill in the Transaction Profile Form as recommended by BFIU (Annexure A). The main features of the Form for both deposit and withdraw would be:
 - Various types of transactions
 - No. of transactions (monthly)
 - Maximum size (per transaction)
 - Total value (monthly)
- Before fill in, it has to be ensured by the Branch Official that the customer's understanding is sufficient to fill the required cells of Transaction Profile.
- All relevant fields of the TP must be filled-up properly and signed by all signatories.
- Branch Official shall assist the customer to fill-up the TP if any complexity arises.
- Branch Official must ensure that the amount of transaction declared in the TP commensurate with the nature of business/source of fund (i. e. **duly justified**) described in the AOF of the customer.

18.4 Transaction Monitoring based on Customer Categories

18.4.1 Branches shall monitor customer transactions based on the use of "Customer Categories" established within the branch (e.g., jewelry, money changer, real estate agent etc.). The Customer Category is assigned at



account inception and may be periodically revised and is documented on the Transaction Profile. The Customer Categories are maintained in the manual ledgers or computer systems.

18.5 Transaction Monitoring based on Transaction Limits

18.5.1 Branches shall also monitor customer transactions based on the use of "Transaction Limits" established within the branch (e.g., a threshold of Tk. 5 lacs per day for or Tk. 7 lacs per day etc. may be introduced based on business volume of the branch). The Transaction Limits are maintained in the manual ledgers or computer systems.

18.6 Transaction Monitoring based on Transaction Profile

18.6.1 **Daily Review of Account Transactions:** The designated officer(s) shall review transactions in accounts for the previous month(s) to identify changes or exceptions or inconsistencies with the customers' declared Transaction Profile. Such review should be documented in a Daily Account Review Register (Enclosure A of Annexure I) for future reference.

18.6.2 **Points to Review:** The following points should be reviewed:

- a. No. of monthly deposits: Declared in TP vs. actual transaction,
- b. Maximum amount per deposit: Declared in TP vs. Actual transaction,
- c. Total monthly deposit: Declared in TP vs. actual transaction,
- d. No. of monthly withdrawals: Declared in TP vs. actual transaction,
- e. Maximum amount per withdrawal: Declared in TP vs. Actual transaction,
- f. Total monthly withdrawal: Declared in TP vs. actual transaction,
- g. Geographical origin/destination (e.g., issuing Bank, branch etc.).

18.6.3 **Monthly TP Exception Report:** If any of the above parameters exceeds a customer's declared Transaction Profile (TP), the same should be recorded in the Monthly Exception Report (Enclosure B of Annexure I).

18.6.4 **Review & Maintaining of Monthly Exceptions Report:** Monthly Exception Report shall be reviewed either by the Branch AML Compliance Officer (BAMLCO) or the Branch AML Compliance Committee (BAMLCC) in its meeting. If necessary, they may discuss the issue with the customer or may assign someone to collect necessary information from the customer. If the customer can give reasonable justification then they will take steps to update the TP of the customer. If they do not become satisfied with the customer's clarification then the issue should be reported as a Suspicious Transaction Report (STR) following the process mentioned in Chapter 18.4 of this Policy.

18.7 Monitoring of Structuring Transactions

18.7.1 **Definition of Structuring Transactions:** If a person conducts or attempts to conduct a financial transaction in a manner that will not be required to report under the Money Laundering Prevention Act, 2012, then it is called Structuring Transactions. This may be elaborated in the following example:

- Cash Deposit or withdrawal of Tk. 10 lac and more in an account in a day should be reported as CTR to BFIU.
- A person structures transaction if he/she conducts one or more transactions in cash in any amount, on one or more days, in any manner, for the purpose of evading CTR reporting requirements.
- Here, in any manner includes breaking down a single cash of TK. 10 Lac into smaller amounts that may be conducted as a series of transactions below TK. 10 Lac.

18.7.2 **Transaction Monitoring for Detection of Structuring:** Generally slab-wise cash deposits and withdrawals (especially between Tk. 7 lac to below Tk. 10 lac) need to be reviewed to detect structuring.

18.7.3 **Steps to be Taken if Structuring has been Detected:** If it is suspected that a client is structuring his transactions to avoid CTR reporting requirements, the concerned branch must report a Suspicious Transaction Report (STR) following the process mentioned in Chapter 18.4.

18.8 Monitoring of Cash Transaction Report (CTR)

18.8.1 The branch shall examine previous month's daily transaction of every account whether any cash transaction or equivalent Foreign Currency (Cash Deposit or withdrawal) of Tk.10 lac and above in an account in a day with one or more cash transaction (any type of cash deposit or withdrawn including Online, ATM). If the Branch has such transaction, the branch should prepare a monthly cash transaction report and send it to AMLD in due time.



- 18.8.2 If the branch has not any such transaction, the branch should report to the AMLD as 'There is no reportable CTR'. While submitting CTR to BFIU, AMLD should submit a list of branches which were submitted 'There is no reportable CTR'.
- 18.8.3 Before submitting the CTR to AMLD, for identifying suspicious transaction, the branch should review the transactions of accounts which were reported as CTR. If any suspicious transaction is found, the branch should submit a 'Suspicious Transaction Report' to the AMLD as per specific format (Annexure K).
- 18.8.4 If no suspicious transaction is identified, branch should inform to the AMLD as 'No suspicious transaction has been found' while reporting the CTR.
- 18.8.5 Every branch should preserve Cash Transaction Report (CTR) and review of CTR in their branches on monthly basis for 5 years started from the month of submission of the report to BFIU. If any Bank preserves such reports centrally, Branch should have the access of those reports in special cases.⁶⁴
- 18.8.6 AMLD shall prepare the accumulated CTR received from their branches. The AMLD must ensure the accuracy and timeliness while reporting to BFIU. Moreover, AMLD should review all the cash transaction received from the branches and search for any suspicious transaction. If any suspicious transaction is found, submit a 'Suspicious Transaction Report' to the BFIU.
- 18.8.7 If no suspicious transaction is identified, AMLD should send a Certificate to BFIU as 'No suspicious transaction has been found' along with monthly reporting of CTR.
- 18.8.8 AMLD has to inform BFIU through the message board of goAML web in case if no transaction is found to be reported as CTR.
- 18.8.9 AMLD must ensure the preservation of information related to cash transaction report up to 5 (five) years from the month of submission to BFIU.
- 18.9 Maintain Secrecy**
- 18.9.1 The above reviews are done as a part of the daily functions of the branch. It should be kept in mind that all exceptions may not be suspicious. Also, branch officials should be very much cautious in dealing with customers. They should perform the job in a manner that do not make any panic and do not disclose any information to any person.



⁶⁴ Ref.: Section 6.5 of BFIU Circular No 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit.

Chapter : 19

RECOGNITION AND REPORTING OF SUSPICIOUS TRANSACTIONS**19.1 Definition of Suspicious Transaction**

19.1.1 Section 2(Ja) of Money Laundering Prevention Act, 2012 defines Suspicious Transaction as follows:

"Suspicious Transaction" means any transaction -

- (1) that is inconsistent with the normal transaction pattern;
- (2) about which transaction it may be assumed that
 - it is the property acquired through commencement of an offence,
 - it is the financing of any terrorist act, or financing of any terrorist organization or any terrorist;
- (3) such other transaction or attempt of transaction that Bangladesh Bank describes in its notification from time to time for the purpose of the Act.

19.2 Statutory Obligation for Reporting of Suspicious Transactions

19.2.1 Clause 25(1)(Gha) of the MLP Act, 2012 obligates us to send a Suspicious Transaction Report (STR) to the Bangladesh Financial Intelligence Unit (BFIU) where we observe any suspicious transaction or attempt for such transaction.

19.2.2 In this regard, all branches must ensure that,

- each relevant employee knows to which person they should report suspicions, and
- there is a clear reporting chain under which those suspicions will be passed without delay to the Chief Anti Money Laundering Compliance Officer.

19.2.3 Once employees have reported their suspicions to the appropriate person in accordance with the proper internal reporting procedure, they have fully satisfied their statutory obligations.

19.3 How to Recognize Suspicious Transactions (ST)/Suspicious Activities (SA)

19.3.1 As there are unlimited types of transactions that a money launderer or a terrorist financier may use, it is difficult to define a suspicious transaction and suspicious activities. However, in most of the cases, a suspicious transaction will be one that is inconsistent with a customer's known, legitimate business or personal activities.

19.3.2 Identification of STR/SAR may be started identifying unusual transaction and activity. Such unusual transaction may be unusual in terms of complexity of transaction, nature of transaction, volume of transaction, time of transaction etc. Generally the detection of something unusual may be sourced as follows:

- Comparing the KYC profile, if any inconsistency is found and there is no reasonable explanation;
- By monitoring customer transactions;
- By using red flag indicator (Annexure F & G)

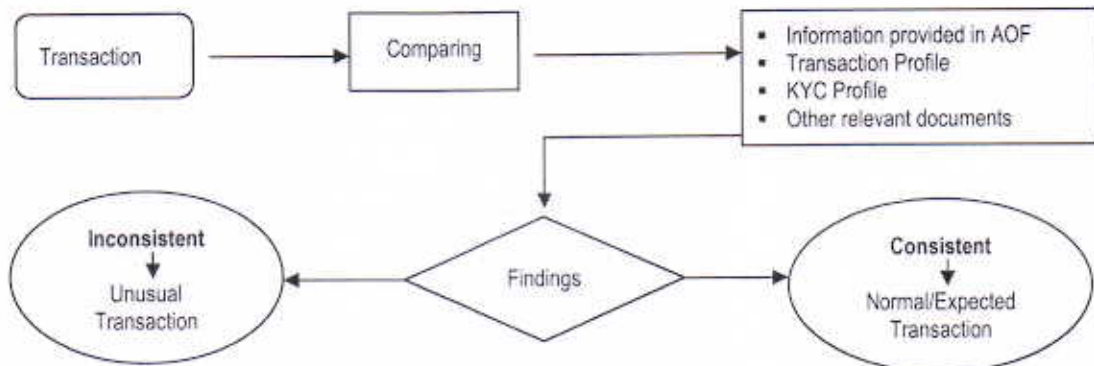
19.3.3 To determine if a customer's transaction is suspicious, a branch must consider the followings:

- Is the size of the transaction consistent with the normal activities of the customer?
- Is the transaction rational in the context of the customer's business or personal activities?
- Has the pattern of transactions conducted by the customer changed?
- Where the transaction is international in nature, does the customer have any obvious reason for conducting business with the other country involved?

19.3.4 A transaction which appears unusual is not necessarily suspicious. Even customers with a stable and predictable transactions profile will have periodic transactions that are unusual for them. Many customers will, for perfectly good reasons, have an erratic pattern of transactions or account activity. So the unusual is, in the first instance, only a basis for further enquiry, which may in turn require judgment as to whether it is suspicious. A transaction or activity may not be suspicious at the time, but if suspicions are raised later, an obligation to report then arises. Some examples of possible suspicious transactions and activities are given in Annexure F & G. These are not intended to be exhaustive and only provide examples of the most basic way by which money may be laundered. However, if any of these types of transactions are identified in any account, the branch should prompt to further investigation.

19.3.5 All suspicions reported to the AMLD and closed at Branch level should be documented, or recorded electronically. The report should include full details of the customer who is the subject of concern and as full

statement as possible of the information giving rise to the suspicion. All internal enquiries made in relation to the report should also be documented. This information may be required to supplement the initial report or as evidence of good practice and best endeavors if, at some future date, there is an investigation and the suspicions are confirmed or disproved. The following chart shows the graphical presentation of identification of ST/SA:



19.4 Procedure for Reporting of Suspicious Transactions

- 19.4.1 Every Business and individual has normally certain kind of transactions in line with their business/ individual needs, which is declared in the Transaction Profile (TP) of the customer. Transactions inconsistent with the declared TP will be considered unusual.
- 19.4.2 All officials of the Bank must be alert to transactions that are inconsistent with the customer's KYC information. If any unusual transaction is found and the issue appears reportable, then the concerned staff will immediately prepare a report as per Annexure J and then submit it to the BAMLCO. BAMLCO should acknowledge receipt of the report.
- 19.4.3 BAMLCO will analyze the reported incident (ST/SA reported by staff) properly in the light of all other relevant information and record. To determine whether a ST should be filed or not, BAMLCO shall follow the following procedures:
- Review the Account Opening form, KYC documentation, Transaction Profile etc.
 - Check to see if the subject has been reported previously for suspicious activity.
 - Seek information about the subject of the investigation from other people, if necessary.
 - Review account statement and transaction records of the customer who is the subject of the investigation. At least last 12 months' review of account activity should be done.
- 19.4.4 If the reported issue does not appear to be connected with money laundering, then BAMLCO will close the issue at his end after putting his comments on the STR/SAR form. If the reported issue appears to be connected with money laundering or terrorist financing, then BAMLCO will send immediately the details of the incident in Annexure K to the CAMLCO of Head Office.
- 19.4.5 **Documents to be enclosed with the STR:** At the time of forwarding an STR/SAR to the AMLD, BAMLCO should enclose the following documents with the STR/SAR Form:
- Attested photocopies of Account Opening Form along with submitted documents.
 - Attested photocopies of KYC Profile, Transaction Profile.
 - Statement of the Account for at least last 1 (One) year.
 - Attested photocopies of supporting vouchers/cheques and correspondence.
- 19.4.6 **STR Register:** All investigation issues must be documented in a register. The register should include the investigation issue and the rationale for the disposition of the case. In addition, any unusual activity for which decision was taken not to file a STR/SAR should also be documented in the register.
- 19.4.7 AMLD shall check the sufficiency of the required documents and examine/analyse the reports received from BAMLCO and record its observations on the above form and if the reported issue does not appear to be connected with money laundering, then AMLD will close the issue at their end after putting comments on the STR/SAR form. If they consider the incident to be reportable, then they will immediately submit the same to the General Manager, Bangladesh Financial Intelligence Unit (BFIU) through goAML web.
- 19.4.8 If any transaction or activities is not considered as suspicious at branch level but any transaction or activities is considered as suspicious by AMLD, then they should submit 'Suspicious Transaction Report' to the BFIU

19.4.9 At the time of deciding whether or not a report should be submitted to BFIU, all other relevant information available within the Bank concerning the person or business should be considered. This may include a review of the followings:

- other transaction patterns and volumes through the account or accounts in the same name,
- the length of the relationship, and
- referral to identification records held.

19.4.10 Care should be taken to guard against a report being submitted to BFIU as a matter of routine without undertaking reasonable internal enquiries to determine that all available information has been taken into account.

19.4.11 However, if staff continues to encounter suspicious activities on an account which they have reported previously, they should continue to make reports whenever a further suspicious transaction occurs.

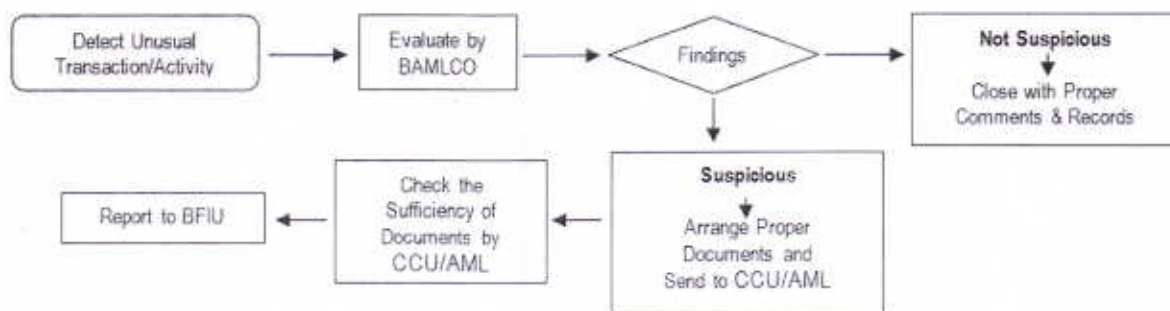
19.5 Requirements for Documentation

19.5.1 All suspicious Activity Reports should be kept in custody for the following tenures:

- Records of suspicions, which were raised internally with the BAMLCO but not disclosed to CAMLCO, should be retained for 5 (Five) years from the date of the transaction.
- Records of suspicions, which were raised internally with the CAMLCO but not disclosed to BFIU, should be retained for 5 (Five) years from the date of the transaction.
- Records of suspicions which the BFIU has advised are of no interest should be retained for a similar period.
- Records of suspicions that assist with investigations should be retained until The Premier Bank Ltd is informed by BFIU that they are no longer needed.

19.6 Flow Chart for STR or SAR

19.6.1 The flow chart of reporting STR/SAR is shown as under:



19.7 Maintain Secrecy/ Tipping Off

19.7.1 Bank officials should consider the confidentiality of the reporting of STR/SAR. They should not make any behavior or performance that could tip-off the customer and the customer could be cautious. If there remains any chance of Tipping off while doing CDD for a suspicious client, ST/SA shall be reported without doing CDD of the same.



Chapter : 20

SELF ASSESSMENT & INDEPENDENT TESTING PROCEDURES SYSTEM**20.1 Self Assessment Process (SAR)**

20.1.1 All branches should establish self assessment process that will assess how effectively the branch's anti money laundering procedures enable management to identify areas of risk or to assess the need for additional control mechanisms. Branches shall follow the following three steps to assess itself in a quarterly basis:

- **Prepare Self Assessment Report** Branches shall assess themselves and prepare a Report on the basis of Self Assessment Checklist (Annexure L) on a half yearly basis.
- **Arrange Meeting to Discuss Self Assessment Report**: Before submitting the self assessment, the branch shall arrange a meeting of the Branch AML Compliance Committee (BAMLCC) and to be presided over by the Branch Manager. The meeting shall -
 - discuss the branch's draft self assessment report,
 - identify areas of risk/problem, if any,
 - find out ways or recommendations to mitigate the risk/problem areas, and
 - maintain minutes (as per format given in Annexure M).

Next meetings shall also discuss -

- the issued discussed in the previous meeting,
- assigned responsibilities and
- their implementation status.
- **Send Self Assessment Report and Meeting Minutes to Head Office**: Every branch shall prepare **2 (Two) sets of Self Assessment Report** and send along with minutes of the BAMLCC meetings to
 - Internal Control & Compliance Division (ICCD) and
 - Anti-Money Laundering Division of Head Office within the 15th day of the next month after completion of each half.

20.2 Review of Self Assessment Reports

20.2.1 **Internal Control & Compliance Division (ICCD)** shall perform the following duties:

- **Monitoring Unit**: Monitoring Wing shall review the Self Assessment Reports received from branches on a half yearly basis. If any area of risk has been identified in the review, then Monitoring wing shall request Audit & Inspection Wing to conduct a special inspection on the concerned branch instantly.
- **Audit & Inspection Unit**: Audit & Inspection Wing shall conduct a special inspection on the concerned branch instantly and submit their report to the concerned authority for necessary action.
- **Compliance Unit**: Compliance Wing, as part of their compliance function, shall ensure branch compliance (if applicable) to the observations/recommendations made by Audit & Inspection Wing in their special inspection reports.

20.3 Independent Testing Procedures System (ITP)

20.3.1 **Internal Control & Compliance Division (ICCD)** shall perform the following duties:

- **Audit & Inspection Department**: As part of its own yearly Comprehensive Branch Audit Plan, Audit & Inspection Wing shall check the anti-money laundering performance of the branches at the time of performing yearly comprehensive branch audit as per Checklist of **Annexure N**. Audit & Inspection Team shall also check AML & CFT Compliance Status of the Branch in addition of their yearly Audit Plan. Based on their findings, they shall include a separate Para/Chapter on Anti Money Laundering in their Comprehensive Branch Audit Report containing (a) Branch Score, (b) Observations/Lapses and (c) Recommendations (if any).
- **Compliance Unit**: Compliance Wing shall ensure branch compliance to the aforementioned observations/lapses/recommendations as part of their compliance function of Comprehensive Branch Audit Report.
- **Monitoring Unit**: Monitoring Wing shall forward a copy of the Anti Money Laundering Para/Chapter of the Audit Reports to Anti-Money Laundering Division on a Half Yearly basis within the 15th day of the next month after completion of each half year.



20.4 Duties of AML and ICC Division in respect of SAP & ITP:

- AMLD shall examine the Self Assessment Procedure Reports received from branches, prepare an overall Assessment Report and submit it to the Managing Director & CEO with comments and recommendations on a half-yearly basis.
- AMLD shall prepare a checklist based Assessment Report (ITP) of the branches inspected in a half year on the basis of inspection reports submitted by ICCD after inspecting branches. Such report should be submitted to the Managing Director & CEO with comments and recommendations. Comments also should be added taking into consideration of the Self Assessment Procedure Report submitted by the branches.
- AMLD shall review the Self Assessment Reports received from branches and if found any risky area, AMLD should immediately inform the same to the concerned authority and arrange inspection of the branch through ICCD.
- AMLD shall submit the Evaluation report of self assessment and submitted inspection/audit reports by the Internal Audit Department or ICCD along with comments and recommendations of Managing Director & CEO to the Board of Directors on half yearly basis.
- AMLD shall submit a report on the above to the Bangladesh Financial Intelligence Unit (BFIU), Head Office, Dhaka on a half-yearly basis within 60 days after completion of the concerned half year.

20.4.1 In the above report, beside other topics, the following topics must be included:

- a) Total number of branch and number of self assessment report received from the branches;
- b) The number of branches inspected/audited by the Internal Audit Department at the time of reporting and the status of the branches (branch wise achieved number);
- c) Same kinds of irregularities that have been seen in maximum number of branches according to the received self assessment report and measures taken by the AMLD to prevent those irregularities;
- d) The general and special irregularities mentioned in the report submitted by the Internal Audit Department and the measures taken by the AMLD to prevent those irregularities;
- e) Measures to improve the ratings by ensuring the compliance activities of the branches that are evaluated as 'unsatisfactory' and 'marginal' in the received report.

20.4.2 Duties and Responsibilities of ICC Division regarding SAP & ITP are discussed in Chapter 6.14.

Chapter: 21

RECRUITMENT, TRAINING AND AWARENESS**21.1 Regulatory Requirements for Recruitment**

- 21.1.1 To mitigate the risk of money laundering, terrorist financing and proliferation of weapons of mass destruction, Bank should follow proper Screening Mechanism in case of recruitment and ensure proper training for their officials⁶⁵. Details discussed in Chapter 6.16 of this policy (HR Initiatives).

21.2 Statutory Requirements for Training

- 21.2.1 Clause 23(1)(Cha) of the Money Laundering Prevention Act, requires to provide training and arrange meeting, seminar etc. for the officers and staffs of the reporting organizations or any other organizations or institutions as Bangladesh Financial Intelligence Unit (BFIU) may consider appropriate for the purpose of proper implementation of the Acts.
- 21.2.2 Since Banks have responsibilities under the Acts in relation to identification, reporting and retention of records, The Premier Bank Ltd. must ensure that its staffs are adequately trained to discharge their responsibilities.

21.3 Training and Awareness

- 21.3.1 **Training for Employee:** Every employee of the Bank shall have at least basic AML & CFT training that should cover all the aspects of AML & CFT measures in Bangladesh. Basic AML & CFT training should be at least Day Long Model having evaluation module of the trainees. Relevant provision of Acts, rules and circulars, guidelines, regulatory requirements, Suspicious Transaction or Activity Reporting (STR & SAR) should be covered in basic AML & CFT training course. To keep the employees updated about AML & CFT measures, Bank shall require imparting refreshment training programs of its employees on a regular basis. Bank shall arrange required training sessions and/or professional certification course to improve the efficiency of the CAMLCO & D-CAMLCO or any other concerned official⁶⁶. AML & CFT basic training should cover at least the followings:

- an overview of AML & CFT initiatives;
- relevant provisions of MLPA & ATA and the rules there on;
- regulatory requirements as per BFIU circular, circular letters and guidelines;
- STR/SAR reporting procedure;
- ongoing monitoring and sanction screening mechanism;
- trade based money laundering training for the trade professional employees who deal with foreign or domestic trade;
- UNSCR screening related training UNSCR screening related training for all employees who deal with international transactions, customer relations and account opening;
- credit fraud and ML related training for all the employees who deal with advance and credit of the Bank;
- customer due diligence and ongoing monitoring of transaction related training for the employees who conduct transaction of customers.

21.4 The Need for Staff Awareness

- 21.4.1 The effectiveness of this Policy depends on the extent to which The Premier Bank Ltd. staffs appreciate the serious nature of the background against which the legislation has been enacted.
- 21.4.2 In this context, The PBL shall introduce comprehensive measures to ensure that all staffs are
- fully aware of their own responsibilities and statutory obligations.
 - aware that they can be personally liable for failure to report in accordance with internal procedures.
 - trained in a manner that they cooperate fully and provide prompt reports of suspicious transaction.

21.5 Education and Training Programs

- 21.5.1 All relevant staff of the Bank should be educated in "KYC requirements", covering the followings:
- the need to know the true identity of the customer, and

⁶⁵ Ref.: Section 11.1 of BFIU Circular No. 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU)

⁶⁶ Ref.: Section 11.1.2 of BFIU Circular No. 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU)



- the need to know about the type of business activities expected in relation to that customer at the outset to understand what might constitute a suspicious activity.

21.6 **New Employees**

- 21.6.1 All new employees, irrespective of the level of seniority shall be trained on background to money laundering and the subsequent need for reporting any suspicious transactions to the Anti Money Laundering Compliance Officer.
- 21.6.2 They should be made aware of the importance placed on the reporting of suspicions by the Bank, that there is a legal requirement to report, and that there is a personal statutory obligation to do so.

21.7 **Customer Service/Tellers/Foreign Exchange Dealers**

- 21.7.1 Members of staff who deal directly with the public are the first point of contact with potential money launderers. So their efforts are vital to the Bank's anti-money laundering procedures.
- 21.7.2 These staff must be made aware of
- their legal responsibilities,
 - factors that may give rise to suspicions, and
 - the procedures to be adopted when a transaction is deemed to be suspicious.
- 21.7.3 It is vital that 'front-line' staffs are made aware of the Bank's policy for dealing with non-regular (walk-in) customers particularly where large transactions are involved, and the need for extra vigilance in these cases.
- 21.7.4 **Training on Trade-based Money Laundering** To deter siphoning of legally or illegally earned money abroad, training on "trade based money laundering" along with anti money laundering and anti-terrorism financing related training programs shall also be arranged for the officials dealing in foreign exchange transactions⁶⁷.

21.8 **Processing (Back Office Operations) Staff**

- 21.8.1 Members of staff who are in a position to deal with account opening, or to accept new customers, or to receive Pay Order/DD/TT/FDR application forms and cheques for deposit into customer's account or other investments must receive appropriate training on the processing and verification procedures.
- 21.8.2 In addition, these staff must understand and be trained on:
- the need to verify the identity of the customer,
 - the Bank's account opening and customer/client verification procedures.
- 21.8.3 Such staff should be aware that:
- the offer of suspicious funds or the request to undertake a suspicious transaction need to be reported to the BAMLCO, whether or not the funds are accepted or the transactions proceeded, and
 - must know what procedures to follow in these circumstances.

21.9 **Branch Managers**

- 21.9.1 Persons responsible for supervising or managing staff should be provided with a higher level of instruction covering all aspects of money laundering procedures and also highlight the followings:
- the offences and penalties arising from MLP Acts for non-reporting and assisting money launderers,
 - internal reporting procedures, and
 - the requirements for verification of identity and the retention of records.

21.10 **Branch Anti-Money Laundering Compliance Officer (BAMLCO)**

- 21.10.1 BAMLCOs should receive in-depth training on:
- all aspects of the money laundering legislation,
 - Bangladesh Financial Intelligence Unit (BFIU) directives & internal policies,
 - validation and reporting of suspicious transactions, and
 - new trends and patterns of criminal activity.

⁶⁷ Ref. Section 9.4 of ML & TF Risk Management guidelines of BFIU.



21.11 Refresher Training

- 21.11.1 In addition to the above relatively standard requirements, training should be tailored to the needs of specialized areas of the Bank's business. Contents of training programs should be kept under review and updated when necessary.
- 21.11.2 To ensure that staff does not forget their responsibilities, Learning and Talent Development Center (LTDC) of PBL should arrange refresher training at regular intervals, e.g. in alternate years, for all staff of the Bank.

21.12 Resource Persons for AML Training Programs

- 21.12.1 **Trainers within The Premier Bank Ltd:** A group of trainers within the Bank shall have to be properly trained up to conduct internal AML training programs as resource persons. If required, guidance/help may be sought from Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank⁶⁸.
- 21.12.2 **External Experts as Trainers:** External experts from Bangladesh Bank or BIBM or any other local or foreign agencies may be hired to conduct AML training programs for The Premier Bank Ltd's employees. However, any personal request/communication for this purpose with any Bangladesh Bank official is prohibited. If it becomes necessary to engage Bangladesh Bank official(s) to conduct workshop/training programs for The Premier Bank Ltd's employees, request has to be sent to Bangladesh Institute of Bank Management (BIBM) or Bangladesh Bank Training Academy (BBTA). On request of BIBM/BBTA, the Senior Management of Bangladesh Bank shall decide to nominate expert lecturer/trainer. Honorarium of the nominated lecturer/trainer shall be payable at the rate applicable for guest lecturers of BIBM/BBTA⁶⁹.
- 21.13 **Posters and Leaflets on AML Awareness:** Branches shall time-to-time distribute leaflets among customers to make them aware about money laundering and terrorist financing and also arrange to stick posters in every branch at a visible place. Every Bank shall have to arrange public awareness programs like advertisements through Billboard, poster, leaflet etc⁷⁰.
- 21.13.1 **Awareness for Mass People/Customer Awareness:** Prevention of ML & TF largely depends on awareness at all level. Public or mass people awareness on AML & CFT measures provides synergies to Banks in implementing the regulatory requirement. For this, BFIU, Bangladesh Bank, other regulators as well as the government sometimes arrange public awareness programs on AML & CFT issues. Bank should participate with those initiatives. Bank should also arrange public awareness programs like advertisements through billboard, poster, festoon and mass media, distribution of handbills, leaflet and so on.
- 21.14 **Awareness for Senior Management**
- 21.14.1 For effective implementation of AML & CFT measures in the Bank, PBL shall arrange, at least once in a year, an awareness program for all the members of its board of directors and people engaged with policy making of the Bank.



⁶⁸ Ref.: Agenda-12 of Annual CAMLCO Conference-2012 organized by Bangladesh Bank in Khulna on March 02-04, 2012.

⁶⁹ Ref.: BRPD Circular No.-6 dated 31-05-2012 of Banking Regulation & Policy Department of Bangladesh Bank.

⁷⁰ Ref.: Section 11.3 of BFIU Circular No. 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU).

Chapter : 22

KEEPING OF RECORDS**22.1 Statutory Requirements**

- 22.1.1 Clause 25(1)(Ka) of the Money Laundering Prevention Acts, requires to retain correct and full information used to identify customers during their account relationships.
- 22.1.2 Clause 25(1)(Kha) of the Acts requires to retain transaction related records for at least 5 (Five) years after termination of relationships with the customers.
- 22.1.3 The records prepared and maintained by Branches and Head Office on its customer relationships and transactions should be such that:
- requirements of legislation and BFIU directives are fully met;
 - competent third parties will be able to assess the Bank's observance of money laundering policies and procedures;
 - any transactions effected via the Bank can be reconstructed;
 - any customer can be properly identified and located;
 - all suspicious reports received internally and those made to Bangladesh Financial Intelligence Unit (BFIU) can be identified; and
 - the Bank can satisfy within a reasonable time any enquiries or court orders from the appropriate authorities as to disclosure of information.
 - all report from the Branch/BAMLCO to AMLD and AMLD or CAMLCO to the concerned authorities including BFIU are fully covered;
 - all training information and the effectiveness of training are fully recorded.

22.2 Records relating to Customer Information

- 22.2.1 In relation to the evidence of a customer's identity, Bank shall keep a copy of evidence of the customer's identity including the references obtained during the application of CDD measures.
- 22.2.2 Bank shall keep copy of confirmation of identity certificate; this certificate will be the evidence of identity of customer that must be kept.
- 22.2.3 Bank shall hold additional information in respect of a customer obtained for the purposes of enhanced customer due diligence (EDD) or ongoing monitoring.
- 22.2.4 Records of identification evidence should be kept for a period of at least five years after the relationship with the customer has ended. The date when the relationship with the customer ends is the date:
- an occasional transaction, or the last in a series of linked transactions, is carried out; or
 - the business relationship ended, i.e. the closing of the account or accounts.

22.3 Records relating to Transactions

- 22.3.1 Details of **Personal Identity**, including the names and addresses, etc. as prescribed by Bangladesh Financial intelligence Unit (BFIU) Circular No. 19 dated 17-09-2017 and subsequent directives pertaining to:
- 1) the customer;
 - 2) the beneficial owner of the account or product;
 - 3) the non-account holder conducting any one-off transaction;
 - 4) any counter-party;
- 22.3.2 Details of **transaction** including:
- 1) the nature of such transactions;
 - 2) customer's instruction(s) and authority (ies);
 - 3) source(s) and volume of funds;
 - 4) destination(s) of funds;
 - 5) book entries;
 - 6) custody of documentation;



- 7) the date of the transaction;
- 8) the form (credit/debit slips, cheques) in which funds are offered and paid out.

22.3.3 These records of identity must be kept for at least 5 (Five) years from the date when the relationship with the customer has been terminated. This is the date of:

- i. the carrying out of the one-off transaction, or the last transaction in a series of linked one-off transactions; or
- ii. the ending of the business relationship; or
- iii. the commencement of proceedings to recover debts payable on insolvency.

22.4 Records relating to Internal and External Reports

22.4.1 Bank should make and retain:

- Records of actions taken under the internal and external reporting requirements; and
- When the nominated officer has considered information or other material concerning possible money laundering but has not made a report to BFIU, a record of the other material that was considered.
- In addition, copies of any STRs made to the BFIU should be retained for five years.
- Records of all internal and external reports should be retained for five years from the date the report was made.

22.5 Records relating to Wire Transfer Transactions

22.5.1 Investigations of major money laundering cases have shown that criminals make extensive use of telegraphic transfers (TT) and electronic payment and message systems because of the complexity of cross-border investigations. Investigations become more difficult if the identity of the original ordering customer or the ultimate beneficiary is not clearly shown in a TT and electronic payment message instruction.

22.5.2 In such a situation, all branches must include accurate and meaningful information of the followings on all outgoing funds transfers:

- the originator (name, account number, and where possible address),
- the beneficiary (account name and/or account number) and
- the related messages that are sent.

All these information should remain with the transfer or related message throughout the payment chain.

22.5.3 Records of electronic payments and messages must be kept for at least 5 (Five) years.

22.6 Records relating to Investigations

22.6.1 The only valid role that a Bank plays in assisting law enforcement agencies, investigating a money laundering case, is a provider of relevant information, particularly where the money launderer has used a complex web of transactions specifically for the purpose of confusing the audit trail.

22.6.2 Where The Premier Bank Ltd. has submitted a report of suspicious activity to BFIU or where the branch knows that a client or transaction is under investigation, the Branches shall not destroy any relevant records without the agreement of the BFIU even though the 5 (Five) years limit may have been reached.

22.6.3 The Branches and AMLD at Head Office shall maintain a register or tabular records of all investigations related to anti-money laundering made to it by the BFIU and all disclosures to the BFIU. The register should contain at a minimum the following details:

- i) the date and nature of the enquiry,
- ii) details of the account(s) involved; and
- iii) be maintained for a period of at least 5 years.

22.7 Records relating to Training and Compliance

22.7.1 Bank shall keep the records and related documents of any training, seminar, workshop, audit, visit and special visit related to ML & TF for 5 years⁷¹. Learning & Talent Development Center (Training Institute of The Premier Bank Ltd.) will conduct training courses on anti money laundering & terrorist financing and maintain records of the followings:

- i) details of the content of the training programs provided,

⁷¹ Ref: Section 12.2 of BFIU Circular No. 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit (BFIU)



- ii) the names of staff, who have received the training,
- iii) the date on which the training was delivered,
- iv) the results of any testing carried out to measure staff understanding of the money laundering requirements, and
- v) an on-going training plan.
- vi) reports by the officials to senior management, and
- vii) records of consideration of those reports and any action taken as a consequence.

22.8 **Formats and Retrieval of Records**

22.8.1 Records may be retained in any of the following **formats**:

- documents can be retained in their original hard copy form, or
- the Bank may establish reliable procedures for holding records in microfiche or electronic form.

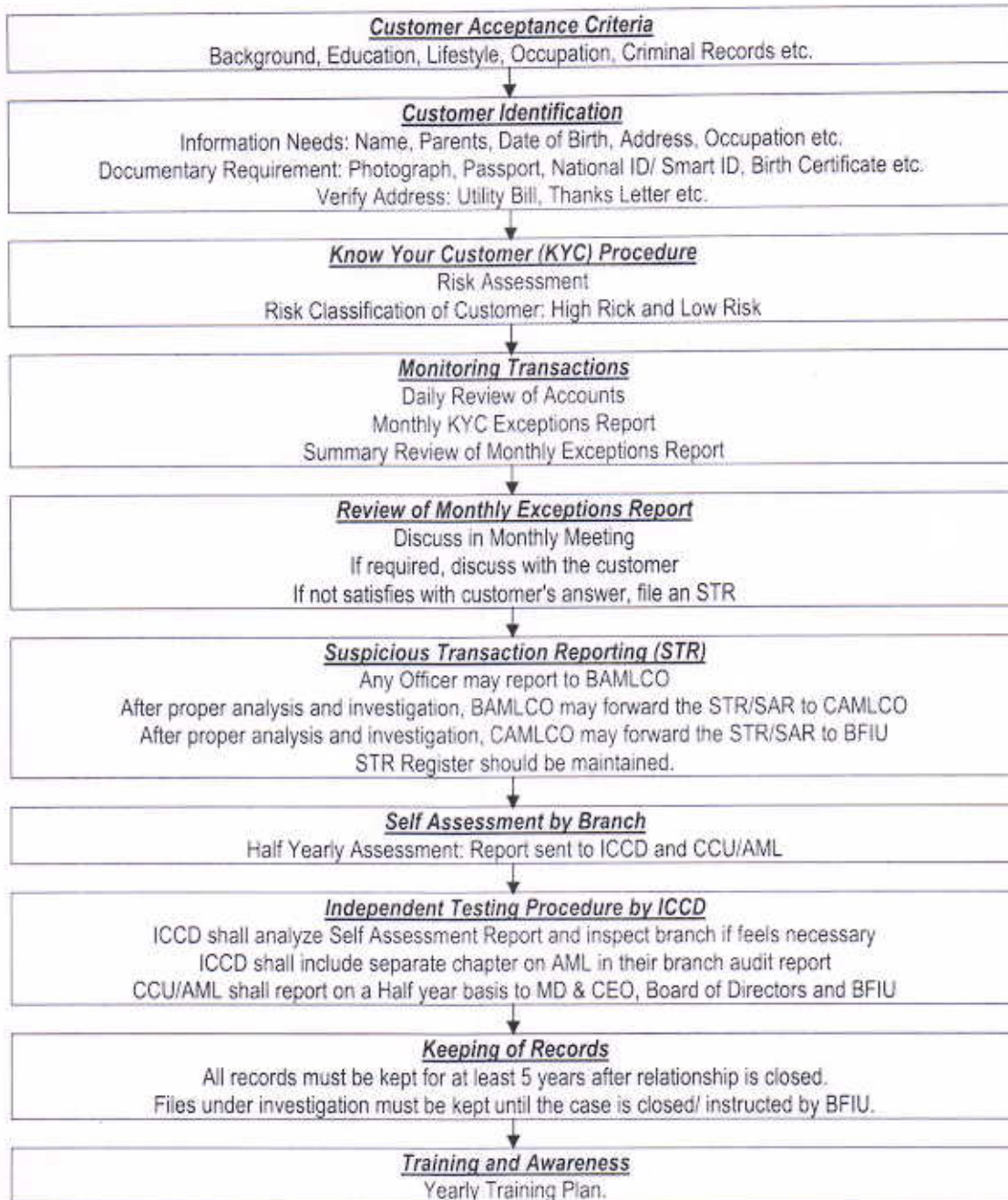
Whatever the format may be, all records should be capable of retrieval without undue delay.

22.8.2 **Record requirements** are the same regardless of the format in which they are kept or whether the transaction was undertaken by paper or electronic means. Documents held centrally must be capable of

- distinguishing between the transactions relating to different customers, and
- identifying where the transaction took place and in what form.



Chapter : 23

PROCESS FLOW CHART23.1 Process Flow Chart

Chapter : 24

TERRORIST FINANCING & PROLIFERATION FINANCING POLICY**24.1 Definitions under Anti-Terrorism Act**

24.1.1 Section 7 of the Anti-Terrorism (Amendment) Act, 2013 defines the offence of terrorist financing as follows:

"Terrorist Financing" means -

If any person or entity willfully provides, receives, collects or makes arrangements for money, service or any other property, whether from legitimate or illegitimate source, by any means, directly or indirectly, with the intention that, it would, in full or in part, be used -

- (a) to carry out terrorist activity; or
- b) by a terrorist person or entity for any purpose, or is in the knowledge that it may be used by a terrorist person or entity the said person or entity shall be deemed to have committed the offence of terrorist financing.

Moreover, conviction for terrorist financing shall not depend on any requirement that the fund, service or any other property was actually used to carry out or direct or attempt to carry out a terrorist act or be linked to a specific terrorist act.

24.2 Obligations of Reporting Banks

24.2.1 **Obligations under ATA, 2009:** Every Bank should take necessary measures, with appropriate caution and responsibility, to prevent and identify financial transactions through which it is connected to any offence under ATA, 2009 and if any suspicious transaction is identified, the agency shall spontaneously report it to Bangladesh Bank without any delay. The Board of Directors, or in the absence of the Board of Directors, the Chief Executive, by whatever name called, of each Bank should approve and issue directions regarding the duties of its officers, and shall ascertain whether the directions issued by Bangladesh Bank under section 15 of ATA, 2009; which are applicable to the Bank, have been complied with or not.

24.2.2 **Obligations under BFIU Circular-19, dated 17/09/2017:** Every Bank shall establish a procedure by approval of Board of Directors for detection and prevention of financing of terrorism and financing of proliferation of weapons of mass destruction, shall issue instructions about the duties of Bank officials, review those instruction time to time and ensure that they are complying with the instructions issued by BFIU. Before any international business transaction, every Bank will review the transaction to identify whether the concerned parties of those transactions are individual or entity of the listed individual or entity of any resolution of United Nation Security Council or listed or proscribed by Bangladesh government. Immediately after the identification of any account of any listed individual or entity concerned Bank will stop that transaction and inform BFIU the detail information at the following working day.

24.3 Why We Must Combat Financing of Terrorism?

24.3.1 Financing of terrorism was criminalized under United Nations International Convention for the Suppression of the Financing of Terrorism in 1999. To reinforce the 1999 convention, United Nations adopted UNSC Resolutions 1373 and 1390 directing member states to criminalize Financing of Terrorism and adopt regulatory regimes to detect, deter and freeze terrorists' assets. The resolutions oblige all states to deny financing, support and safe harbor for terrorists.

24.3.2 Bangladesh has actively involved in multinational and international institutions. Its international relationship and business, Banking business in particular are regulated by some domestic and international regulations. So it is mandatory to abide by those regulations. Financial Action Task Force (FATF), the international standard setter, adopted Special Eight Recommendations on Terrorist Financing. So PBL must be involved in international effort to combat Financing of Terrorism.

24.3.3 It is increasingly evident that terrorists and their organizations need to raise significant amounts of cash for a wide variety of purposes for recruitment, training, travel and materials as well as payment for safe heaven protection. So to root up terrorism, we must stop the flow of funds that keep them in business.

24.3.4 The consequences of allowing the financial system to facilitate the movement of terrorist money are so horrendous that every effort must be made to prevent this from happening. So combating money laundering and financing of terrorism are not only a regulatory requirement but also an act of self interest.



Chapter : 25

NECESSITY, SOURCE & MOVEMENT OF FUNDS FOR TERRORIST**25.1 Necessity of Funds by Terrorist**

25.1 Terrorist organizations need money to operate. Weapons and ammunition are expensive. Major international operations require substantial investments for personnel, training, travel and logistics. Organizations must have substantial fundraising operations as well as mechanisms for moving funds to the organization and later to terrorist operators. These functions entail considerable risk of detection by authorities but also pose major challenges to both the terrorists and intelligence agencies.

25.2 Sources /Raising of Fund

25.2.1 In general, terrorist organizations may raise funds through legitimate sources including through abuse of charitable entities or legitimate businesses and self-financing, criminal activity, state sponsors and activities in failed states and other safe havens.

25.3 Movement of Terrorist Fund

25.3.1 There are three main methods to move money or transfer value. These are:

1. the use of the financial system,
2. the physical movement of money for example through the use of cash couriers and
3. the International trade system.

25.3.2 Often terrorist organizations will abuse alternative remittance systems (ARS), charities, or other captive entities to disguise their use of these three methods to transfer value. Terrorist organizations use all three methods to maintain ongoing operation of the terrorist organization and undertake specific terrorist activities.

25.3.3 Formal Financial Sector

25.3.3.1 Financial institutions and other regulated financial service providers' services and products available through the formal financial sector serve as vehicles for moving funds that support terrorist organizations and fund acts of terrorism. The speed and ease with which funds can be moved within the international financial system allow terrorists to move funds efficiently and effectively and often without detection between and within jurisdictions.

25.3.3.2 Combined with other mechanisms such as offshore corporate entities, formal financial institutions can provide terrorists with the cover they need to conduct transactions and launder proceeds of crime when such activity goes undetected.

25.3.4 Cash Couriers

25.3.4.1 The physical movement of cash is one way terrorists can move funds without encountering the AML/CFT safeguards established in financial institutions. It has been suggested that some groups have converted cash into high-value and hard-to-trace commodities such as gold or precious stones in order to move assets outside of the financial system. The movement of cash across the borders is prevalent in the cash based economy and where the electronic Banking system remains embryonic or is little used by the populace.

25.3.4.2 Moving money using cash couriers may be expensive relative to wire transfers. As legitimate financial institutions tighten their due diligence practices it has become an attractive method of transferring funds without leaving an audit trail. When cross border remittance of cash is interdicted, the origin and the end use of cash can be unclear. Cash raised and moved for terrorist purposes can be at very low levels – making detection and interdiction difficult.

25.3.5 Use of Alternative Remittance Systems (ARS)

25.3.5.1 Alternative remittance systems (ARS) are used by terrorist organizations for convenience and access. ARS have the additional attraction of weaker and/or less opaque record-keeping and in many locations may be subject to generally less stringent regulatory oversight. Although FATF standards call for significantly strengthened controls over such service providers, the level of anonymity and the rapidity that such systems offer have served to make them a favored mechanism for terrorists.

25.4 Use of Charities and Non-Profit Organizations

25.4.1 Charities are attractive to terrorist networks as a means to move funds. Many thousands of legitimate charitable organizations exist all over the world that serve the interests of all societies, and often transmit funds to and from highly distressed parts of the globe. Terrorist abuses of the charitable sector have included using legitimate transactions to disguise terrorist cash traveling to the same destination; and broad



exploitation of the charitable sector by charities affiliated with terrorist organizations. The sheer volume of funds and other assets held by the charitable sector means that the diversion of even a very small percentage of these funds to support terrorism constitutes a grave problem.

25.5 Trade Sector

- 25.5.1 The international trade system is subject to a wide range of risks and vulnerabilities which provide terrorist organizations the opportunity to transfer value and goods through seemingly legitimate trade flows. To exploit the trade system for terrorist financing purposes could assist in the development of measures to identify and combat such activity.

25.6 Targeted Financial Sanctions (TFS)

- 25.6.1 In recent years, the concept and strategy of targeted sanctions imposed by the United Nations Security Council under Chapter VII of the Charter of the United Nations have been receiving increased attention. The targeted financial sanctions represent a potential refinement of the sanctions tool that could be used in conjunction with other coercive efforts, such as travel bans, to minimize the unintended effects of comprehensive sanctions and achieve greater effectiveness.
- 25.6.2 To implement TFS in Bangladesh, a separate section has been included in AT Act, 2009 through amendment of AT Act 2013. Section 20(Ka) of AT Act, 2013 covers all the requirements under UNSCR's tool were taken and will be taken under chapter VII of the charter of UN.
- 25.6.3 For effective implementation of TFS relating to TF & PF Bank should have automated screening mechanism that could prohibit any listed individuals or entities to enter into the Banking channel. The Bank should operate in such system whether they could detect any listed individuals or entities prior to establish any relationship with them. In particular, Bank need to emphasize on account opening and any kind of foreign exchange transaction through an automated screening mechanism so that any listed individuals or entities could not use the formal financial channel.
- 25.6.4 In a word, Bank shall ensure that screening has done before -
- any international relationship or transaction;
 - opening any account or establishing relationship domestically.
- 25.6.5 For proper implementation of UN sanction list, Bank officials must have enough knowledge about -
- legal obligation and consequences of non-compliance;
 - sources of information;
 - what to do and how to do with sanction list;
 - transactional review;
 - how to deal with 'false positives';
 - how to deal with actual match;
 - how to deal with 'aggrieved person or entity';
 - how to exercise 'exemption' requirements;
 - listing & de-listing process.



Chapter : 26

REQUIREMENTS OF THE LAW**26.1 Requirements of the Anti-Terrorism Acts**

26.1.1 The legislation specifically relating to financing of terrorism is contained in the Anti-Terrorism Act, 2009 (Act No. 16 of 2009) [as amended vide Anti-Terrorism (Amendment) Act, 2012 (Act No. 6 of 2012) and (Amendment) Act, 2013 (Act No. 16 of 2013)], the provisions of which supersedes whatever may contain in any other Act in force in Bangladesh.

26.1.2 So far as Banks are concerned, the Act:

- defines the circumstances, which constitute the offence of terrorist act and the offence of terrorist financing [Sections 6(1), 7(1), 8, 9(1), 9(2), 10, 11, 12, 13, and 14(1)];
- provides penalties for the commission of the offences [Sections 6(2), 6(3), 6(4), 7(3), 7(4), 8, 9(3), 10, 11, 12, 13 and 14(1)];
- defines the powers and authorities of Bangladesh Bank for the purpose of combating financing of terrorism [Section 15], and
- defines the responsibilities of reporting organizations for the purpose of combating financing of terrorism [Section 16].

26.2 Responsibilities of the Reporting Organizations under the AT Acts

26.2.1 The Act defines the responsibilities of reporting organizations for the purpose of combating financing of terrorism in Sections 16(1) and 16(2) as follows:

- (i) **System Development:** To develop necessary procedures, with caution and responsibility, to prevent and detect any financial transaction that may be connected with the offence of terrorist financing under this Act [Section 16(1)];
- (ii) **STR Reporting:** To report to Bangladesh Bank, without delay, on detection of any suspicious transaction [Section 16(1)];
- (iii) **Fixing up of Responsibility:** The Board of Directors, or Managing Director & CEO in case of absence of the Board of Directors, to approve and issue instructions regarding the responsibilities of the Bank's officials [Section 16(2)]; and
- (iv) **Ensure Compliance:** To ensure compliance of Bangladesh Bank instructions issued under Section 15 of the Act [Section 16(2)].

26.3 Role of PBL in Preventing TF & PF

26.3.1 In preventing Terrorist Financing & Proliferation Financing, PBL perform the following roles:

- PBL shall establish a procedure by the approval of Board of Directors for detection and prevention of financing of terrorism and financing in proliferation of weapons of mass destruction, shall issue instructions about the duties of Bank officials, review those instruction time to time and ensure that they are complying with the instructions issued by BFIU.
- Bank shall take necessary measures, with appropriate caution and responsibility, to prevent and identify financial transactions through which it is connected to any offence under AT Acts and if any suspicious transaction is identified, the Bank shall spontaneously report it to Bangladesh Bank without any delay.
- If any news of activities of financing of terrorism and financing of proliferation of weapons of mass destruction are published in any mass media, Bank shall send the details of the accounts (if any is found with them) of any persons who are engaged in those activities to BFIU immediately.
- Bank shall maintain and update the listed individuals and entities in electronic form and regularly run a check at the website of United Nations for updated list. They should run regular check on the given parameters, including transactional review, to verify whether individuals or entities listed by the respective UNSCR Committee are holding any funds, financial assets or economic resources or related services or having any form of relationship with them.
- Bank shall run a check on the given parameters, including transactional review, to verify whether individuals or entities listed or scheduled under the AT Acts; individuals or entities owned or controlled directly or indirectly by such persons or entities, as well as persons and entities acting on behalf of, or at the direction of, individuals or entities listed or scheduled under the Acts are holding any funds, financial assets or economic resources or related services or having any form of relationship with them.



26.4 Powers and Responsibilities of Bangladesh Bank under AT Acts

26.4.1 The Act gives Bangladesh Bank broad responsibility for prevention and detection of any transaction that facilitates financing of terrorism and wide-ranging powers to take adequate measures to prevent such transactions, facilitate its detection, monitor its incidence and enforce rules under the Act. The powers and responsibilities of Bangladesh Bank are [Section 15]:

- (i) to collect suspicious transaction from reporting agency, analyze or review the same and to collect additional information relating thereto for the purpose of analyzing or reviewing the same and maintain record or database of them and, as the case may be, provide with the said information or report to the police or other concerned law enforcement agencies for taking necessary actions.
- (ii) if there is reasonable ground to suspect that a transaction is connected to terrorist activities, to issue a written order to the respective reporting agency to suspend or freeze transactions of that relevant account for a period not exceeding 30 (thirty) days and, if it appears necessary to reveal correct information relating to transactions of the said account, such suspension or freezing order may be extended for an additional term not exceeding 6 (six) months by 30 (thirty) days at a time.
- (iii) to monitor and supervise activities of the reporting organizations.
- (iv) to give directions to the reporting agencies to take preventive steps to prevent financing of terrorist activities and proliferation of weapons of mass destructions (WMD).
- (v) to monitor the compliance of the reporting agencies and to carry out on-site inspection of the reporting agencies for carrying out any purpose of this Act.
- (vi) to provide training to the officers and employees of the reporting agencies for the purpose of identification of suspicious transactions and prevention of financing of terrorist activities.
- (vii) Bangladesh Bank, on identification of a reporting agency or any of its customers as being involved in a suspicious transaction connected to financing of terrorist activities, shall inform the same to the police or the appropriate law enforcement agency and provide all necessary cooperation to facilitate their inquiries and investigations into the matter.
- (viii) If the offence is committed in another country or the trial of an offence is pending in another country, Bangladesh Bank shall take steps to seize the accounts of any person or entity upon request of the foreign state or pursuant to any international, regional or bilateral agreement, United Nations conventions ratified by the Government of Bangladesh or respective resolutions adopted by the United Nations Security Council.
- (ix) The fund seized under Section 15(3) shall be subject to disposal by the concerned court or pursuant to the concerned agreements, conventions or resolutions adopted by the United Nations Security Council.
- (x) The power and responsibilities of Bangladesh Bank under the provisions of this Act shall be exercised by Bangladesh Financial Intelligence Unit (BFIU), and if Bangladesh Financial Intelligence Unit requests to provide with any information under this Act, all the governmental, semi-governmental or autonomous bodies, or any other relevant institutions or organizations shall, on such request or, as the case may be, spontaneously provide it with such information.
- (xi) Bangladesh Financial Intelligence Unit shall, on request or, as the cases may be, spontaneously provide the financial intelligence units of other countries or any other similar foreign counterparts with any information relating to terrorist activities or financing of terrorist activities;
- (xii) For the interest of investigation relating to financing of terrorist activities, the law enforcement agencies shall have the right to access any document or file of any Bank under the following conditions:
 - (a) according to an order passed by a competent court or special tribunal; or
 - (b) with the approval of the Bangladesh Bank.



26.5 Penalties for Non-Compliance to AT Acts and Directives of Bangladesh Bank

26.5.1 The Act provides penalties in Sections 16(3) and 16(4) for failure to comply with Bangladesh Bank instructions, or for providing erroneous information or false information or statement as follows:

- (i) **Cash Penalty:** If any reporting organization fails to comply with any instruction given by Bangladesh Bank under Section 15 of the Act, or willfully provides any erroneous information or provides any false information or statement, then Bangladesh Bank may impose cash penalty of not exceeding Tk. 25 (twenty five) lac upon that reporting organization [Section 15 (8) & 16(3)];
- (ii) **Cancellation of Permission or License:** In addition to the above-mentioned cash penalty, Bangladesh Bank may suspend the registration or license with intent to stop operation of the said agency or any of its branches, service centers, booths or agents within Bangladesh or, as the case may be, shall inform the registering or licensing authority about the subject matter to take appropriate action against the agency [Section 15 (8) & 16(3)];
- (iii) **Cash Penalty for Higher Management:** If the Board of Directors, or in the absence of the Board of Directors, the Chief Executive Officer, by whatever name called, of any reporting organization fails to comply with the provision of Section 16(2), the Chairman of the Board of Directors, or the Chief Executive Officer, as the case may be, shall be liable to pay a fine, determined and directed by Bangladesh Bank, not exceeding taka 25 (twenty five) lac, and Bangladesh Bank may remove the said person from his office or, as the case may be, shall inform the competent authority about the subject matter to take appropriate action against the person;
- (iv) **Realization of Penalty by Bangladesh Bank:** If the reporting agency fails to pay or does not pay any fine imposed by Bangladesh Bank according to Section 15(8), Bangladesh Bank may recover the amount from the reporting agency by debiting its accounts maintained in any other Bank or financial institution or in Bangladesh Bank and in case of any unrealized or unpaid amount, Bangladesh Bank may, if necessary, apply before the concerned court for recovery;
- (v) **Realization of Penalty from Higher Management by Bangladesh Bank:** If the reporting agency fails to pay or does not pay any fine imposed by Bangladesh Bank under Section 16(3), or if the Chairman of the Board of Directors, or the Chief Executive Officer, by whatever name called, fails to pay or does not pay any fine imposed by Bangladesh Bank under Section 16(4), Bangladesh Bank may recover the amount from the reporting agency or from the account of the concerned person by debiting any account maintained by him in any Bank or financial institution or in Bangladesh Bank, and in case of any unrealized or unpaid amount, Bangladesh Bank may, if necessary, apply before the concerned court for recovery [Section 16(4)].

26.6 Offence related to Terrorist Activity and Terrorist Financing

26.6.1 Offences related to terrorist activity and terrorist financing, as defined under the Act, are, in summary:

- **The Act of Terrorism** [Section 6].
- **Financing of Terrorism** [Section 7].
- **Membership of a Banned Organization** [Section 8].
- **Support to a Banned Organization** [Section 9].
- **Criminal Conspiracy to Commit an Offence** [Section 10].
- **Attempt to Commit an Offence** [Section 11].
- **Aid or Abetment to Commit an Offence** [Section 12].
- **Instigation to the Act of Terrorism** [Section 13].
- **Sheltering the Criminal** [Section 14].

26.7 Penalties for Offence related to Terrorist Activity and Terrorist Financing

All offences under the Act are cognizable and non-bailable [Section 39]. All penalties for commencement of the offences have prison terms and/or cash penalties as prescribed in the Act. Penalties for commencement of the offences of terrorist financing as prescribed in the Act are as follows:

26.7.1 **Punishment and Penalty of Terrorism:** Any person or foreigner commits any offence under Section 6 the person shall be punished with death or imprisonment for life or minimum 4 (four) and maximum 14 (fourteen) years of imprisonment and in addition to that a fine may also be imposed [Section 6 (2)].



- 26.7.2 **Penalty for Offence of Terrorist Financing:** Any person engaged in terrorist financing shall be punishable with rigorous imprisonment for a term not exceeding 20 (twenty) years but not less than 4 (four) years, and in addition to that, a fine equivalent to twice the value of the property involved with the offence or taka 10(ten) lac, whichever is greater, may be imposed [Section 7(3)].
- 26.7.3 **Penalty for the Offence Committed by an Entity:** If any entity has been engaged in terrorist financing offence, then such entity may be banned under Section 18 of the Act, and in addition to this, cash penalty of thrice the value of the property involved with the offence or Tk. 50 (Fifty) lac, whichever is higher may be imposed [Section 7(4)(Ka)].
- 26.7.4 **Additional Penalty for the Chief of the Entity:** The chief of that entity, who may be called as Chairman, Managing Director, Chief Executive or in any other name, shall be punishable with imprisonment for a term of minimum 4 (Four) years up to maximum 20 (Twenty) years, and in addition to this, shall be fined with twice the value of the property involved with the offence or Tk. 20 (Twenty) lac, whichever is higher, unless he/she can prove that such offence was committed without his/her knowledge or that he/she has tried to the best of his/her ability to prevent the same [Section 7(4)(Kha)].
- 26.7.5 **Penalty for Membership of a Banned Organization:** If any person is or claims to be a member of a prohibited entity under section 18, he shall commit an offence and be punished with imprisonment for a term not exceeding 6 (six) months, or a fine, or with both [Section 8].
- 26.7.6 **Penalty for Support to a Banned Organization:** If any person is convicted of any of the offences under Sections 9(1) or 9(2), he shall be punished with imprisonment for a term not exceeding 7 (seven) years but not less than 2 (two) years, and in addition to that a fine may be imposed [Section 9(3)].
- 26.7.7 **Penalty for Criminal Conspiracy:** If any person does criminal conspiracy for committing an offence under the Act, he shall be deemed to have committed an offence and be punished with imprisonment for a term not exceeding two thirds of the maximum punishment prescribed for that offence, or a fine, or with both; and if the offence is punishable with death, the punishment for the offence shall be imprisonment for life or imprisonment for a term not exceeding 14 (fourteen) years, but not less than 4 (four) years [Section 10].
- 26.7.8 **Penalty for Attempt to Commit an Offence:** If any person or entity attempts to commit an offence under the Act, the person or entity shall be deemed to have committed an offence, and the person or the head of the entity, whether he is designated as Chairman, Managing Director, Chief Executive or any other name, shall be punished with imprisonment for a term not exceeding two thirds of the maximum punishment prescribed for that offence, or a fine, or with both; and if the offence is punishable with death, the punishment for the offence shall be imprisonment for life or rigorous imprisonment for a term not exceeding 14 (fourteen) years, but not less than 4 (four) years; and in addition to that actions may be taken under Section 18 [Section 11].
- 26.7.9 **Penalty for Aid or Abetment to Commit an Offence:** If any person or entity, to commit any offence punishable under the Act -
- (a) aids or abets; or
 - (b) participates as an accomplice; or
 - (c) organizes or directs others; or
 - (d) contributes,
- the person or entity shall be deemed to have committed an offence, and the person or the head of the entity, whether he is designated as Chairman, Managing Director, Chief Executive or any other name, shall be punished with imprisonment for a term not exceeding two thirds of the maximum punishment prescribed for that offence, or a fine, or with both; and if the offence is punishable with death, the punishment for the offence shall be imprisonment for life or rigorous imprisonment for a term not exceeding 14 (fourteen) years, but not less 4 (four) years; and in addition to that actions may be taken under section 18 against the relevant entity (Section 12).
- 26.7.10 **Penalty for Instigation to the Act of Terrorism:** If any person, by his activities or participation, prepares or distributes any document, or by transmitting any information through any print or electronic or any other media, or through any apparatus, assistance or technology or training, assists any person or entity knowing that the said document, apparatus, assistance or technology or training shall be used in committing any offence under the Act or any such person or entity shall use the same for committing similar offences, he shall be deemed to have instigated terrorist activities; and he shall be punished with imprisonment for a term not exceeding two thirds of the maximum punishment prescribed for that offence, or a fine, or with both; and if the offence is punishable with death, the punishment for the offence shall be imprisonment for life or imprisonment for a term not exceeding 14 (fourteen) years, but not less than 4 (four) years (Section 13).



26.7.11 Penalty for Sheltering the Criminal:

- (1) If any person harbors or conceals a person whom he knows or has reason to believe to be the offender, with the intention of screening him from legal punishment, he shall, –
- (a) if the offence is punishable with death, be punished with an imprisonment for a term not exceeding 5 (five) years, and in addition to that a fine may also be imposed; or
 - (b) if the offence is punishable with imprisonment for life or with imprisonment for any other term, be punished with imprisonment for a term not exceeding 3 (three) years, and in addition to that a fine may also be imposed.
- (2) The provisions of Section 14(1) shall not extend to any case in which the offence of harbor or concealment is committed by the husband, wife, son, daughter, father or mother of the offender.
- (3) Where the offence of harbor or concealment is committed by any entity, the provisions of Section 14(1) shall apply to the person who is in the charge of the entity as the Chairman, Managing Director, Chief Executive or in any other designation unless he is able to prove that the said offence was committed without his knowledge or he had tried his best to prevent the commission of such offence.



Chapter : 27

ANTI-TERRORIST FINANCING PROCEDURES**27.1 Procedures**

27.1.1 The Premier Bank Ltd. (PBL) believes that strict adherence to our Anti-Money Laundering Policy and Know Your Customer (KYC) Policy provide the basic AML controls which also serve as primary controls for detection and prevention of terrorist financing. Therefore, in addition to the existing AML policy, the following extra due diligence and vigilance must be exercised to detect and prevent financing of terrorism.

27.2 Tools for Anti-Terrorist Financing

27.2.1 The following two policies will be the tools for the Bank to combat against financing of terrorism:

- **Basic Tool:** Anti-Money Laundering Policy of the Bank.
- **Supporting Tool:** Customer Acceptance Policy and Know Your Customer (KYC) Policy of the Bank.

27.3 General Procedures for Customer Due Diligence (CDD)/Know Your Customer (KYC)

27.3.1 The uniform Account Opening Forms including Transaction Profile and CDD/KYC Profiles provided by Bangladesh Financial Intelligence Unit (BFIU) will be the integral part for establishing account relationship. They are mandatory and a vital reference point to all account relationship.

27.3.2 With regard to CDD/KYC, Transaction Profile, Customers Risk Assessment, Record Keeping and Suspicious Transaction Reporting, branches will follow the procedure as detailed in the Anti-Money Laundering Policy, Customer Acceptance Policy and Know Your Customer (KYC) Policy of the Bank.

27.3.4 While CDD/KYC is an important component of the AML/CFT process, the ongoing monitoring of individual transactions on customer accounts is critical to improve our ability to detect criminal activity.

27.3.5 The IT Division will be responsible for developing automated systems and processes for classifying customers on the basis of risk matrix provided by Bangladesh Financial Intelligence Unit (BFIU) and monitoring transactions with the transaction profile provided by the customers. These systems will improve our ability to detect unusual transactions, help the authorities to identify and respond to the money laundering and terrorist financing techniques. PBL will continue to enhance the use of automated systems to monitor account activities and, in conjunction with the relevant authorities, to respond to new and more sophisticated trends and techniques adopted by criminals.

27.3.6 Branch Managers and/or BAMLCOs will monitor customers transactions regularly in order to identify suspicious transaction/activities (ST/SA) relates to both money laundering and terrorist financing. They will also oversee the day-to-day activities at the branch and confirm compliance of the instructions of concerned authorities.

27.4 Politically Exposed Persons (PEPs), Influential Persons (IPs), Chief Executive of any International Organization or any Top Level Official and their close Family Members & Associates

27.4.1 Enhanced due diligence must be exercised for opening accounts of Politically Exposed Persons (PEPs), Influential Persons (IPs) (if considered High Risk), Chief Executive of any International Organization or any Top Level Official (if considered High Risk) and their close Family Members & Associates in line with Chapter 12.5 of this Policy.

27.4.2 The account activity of the PEPs, IPs (if considered High Risk), Chief Executive of any International Organization or any Top Level Official (if considered High Risk) and their close Family Members & Associates accounts must be monitored to so that any changes may be detected, and consideration can be given as to whether such change suggests corruption or misuse of public assets. This includes close scrutiny of receipts of large sums not consistent with the occupation or business of before mentioned PEPs, IPs, Chief Executive of any International Organization or any Top Level Official and their close Family Members & Associates.

27.5 Trade Sector/Correspondent Banking Relationships

27.5.1 The international trade system is subject to a wide range of risks and vulnerabilities which provide terrorist organizations the opportunity to transfer value and goods through seemingly legitimate trade flows. To exploit the trade system for terrorist financing purposes could assist in the development of measures to identify and combat such activity. Correspondent Banking relationships create a risk that the other Bank's customers may be using that Bank to launder funds or finance terrorism. It is not necessarily possible to conduct due diligence on that Bank's customer base and as such, these relationships require additional care and attention to guard against becoming unwilling participants in this activity. The essential requirements for establishing



and continuing correspondent Banking relationship as mentioned in Chapter 16 of this Policy must be strictly complied with.

27.6 Automated Screening Mechanism of UNSCRs

- 27.6.1 For effective implementation of TFS relating to TF&PF, The Premier Bank Ltd. is using an international recognized software name the nSCREEN & nSMARTLite. Furthermore, IT Division of PBL is developing software for screening of UN and Local Sanction Lists. This software enables our Bank to set up and manage a 'watch list'. The list enables Bank to check customers when they are added or maintained and also to identify individuals, companies or other entities that on the watch list when they are making or receiving payments in order to comply with International and regional regulations. This software permits intelligent matching of the text of an inward or outward payment message or the name and address of a customer, against a list of proscribed entities provided by a national or international agency. After a decision has been made on the case, the transaction in Equation that prompted the case is then either cancelled or released.

27.7 Non-Profit & NGO Sector

- 27.7.1 Accounts of Charities, Non-Profit Organizations (NPO), Non-Government Organizations (NGO) to be treated as high risk accounts by default and Enhanced Due Diligence (EDD) must be performed for opening and operating such accounts in relation to combat financing of terrorism.

27.8 Domestic Wire Transfer

- 27.8.1 Information accompanying all domestic wire transfers must include complete originator information i.e. Name, Address, Contact No., Source of Fund/Purpose of Transaction etc. Details discussed in Chapter 13.3 of this policy.

27.9 Cross Border Wire Transfer

- 27.9.1 All cross border wire transfers must be accompanied by accurate and meaningful information. Details discussed in Chapter 13.2 of this policy.

27.10 Reporting of Suspicious Transactions

- 27.10.1 If any transaction or any attempt of transaction of a customer creates reasonable ground to believe that the fund or transaction may be connected with financing of terrorism as defined under Anti-Terrorism Act, 2009, AT (Amendment) Act, 2012 & 2013], then BAMLCO will send a Suspicious Transaction Report (Annexure K) with his/her comments immediately to the AML Division of Head Office.

- 27.10.2 AMLD will examine and analyse the reports received and record its observations on the above form and if they consider the incident to be reportable, then they will submit the same directly to the General Manager, Bangladesh Financial Intelligence Unit (BFIU), Bangladesh Bank immediately and maintain confidentiality.

- 27.10.3 This process has been described in details in Chapter 19.4 of this policy.

27.11 Self Assessment Procedure

- 27.11.1 This policy requires that appropriate and timely self assessments, tests, audits and evaluations be conducted to ensure that The Premier Bank Ltd. is in full compliance with the regulations. Each and every branch must assess their performance half-yearly as per the process mentioned in Chapter 19. The short comings identified must be overcome and complied within the next half year.

27.12 Independent Testing Procedure

- 27.12.1 Testing on Anti-Money Laundering compliance is to be conducted on the Branches by ICCD. While conducting the same, they should also look into, whether the directives of Anti-Terrorism Act, 2009, AT (Amendment) Act, 2012 & 2013] and BFIU's directives issued from time-to-time in this respect are followed meticulously by the Branches.

27.13 Record Keeping

- 27.13.1 This process has been described in details in Chapter 22 of this policy.



Chapter : 28

INTERNATIONAL TRADE & TRADE-BASED MONEY LAUNDERING AND FINANCING OF TERRORISM**28.1 Introduction**

28.1.1 Trade Based Money Laundering is defined as the process of disguising the proceeds of crime and moving value through the use of trade transaction in attempt to legitimize their illicit origin. In other words: Trade base money laundering is the process by which criminals use a legitimate trade to disguise their criminal process from their unscrupulous sources. For the international trade transaction hundreds of billions dollars are laundered annually by the way of trade based Money laundering. It is one of the most sophisticated methods of cleaning dirty money as it is very difficult to detect.

28.1.2 In practice, this can be achieving through the misrepresentation of price, quantity or quality of imports or exports. In many cases this Trade Based Money Laundering (TBML) can also involve abuse of the financial system through fraudulent transactions involving a range of money transmission instrument, such as Wire Transfer. The Basic Techniques of Trade Based Money Laundering (TBML) include:

- Over and Under invoicing of goods and services.
- Over and Under shipments of goods and services.
- Falsely described goods and services.
- Multiple invoicing of goods and services.

28.1.3 Trade Based Money Laundering may occur in all their stages of Money Laundering.

At Placement Stage - The offender transforms illicit proceeds into a transferrable asset (e.g. purchasing goods).

At Layering Stage - The offender attempts obscure the link between the illicit proceeds and their criminal source. (e.g. by trading goods across the borders).

At Integration Stage - The offender reintroduces the illicit proceeds into the legitimate economy (e.g. through resale of goods) As the burden goes to serving / compliance officer, he/ she must take precautionary measures so that any of the said process can be arrested at the very initial stage. In this process, he / she can use recent technology or take help of renowned organization or third party.

28.2 Red flags indicating Trade Based Money Laundering

- Significant discrepancies between the description of the goods on the bill of lading and the invoice.
- Significant discrepancies between the description of the goods on the bill of lading or invoice and the actual goods shipped.
- Significant discrepancies between the value of the goods reported on the invoice and the fair market value of the goods.
- Documentation showing a higher or lower value or cost of merchandise than that declared to customs or paid by the importer.
- Shipment locations, shipping terms, or description of goods not consistent with letter of credit.
- Customer significantly deviates from regular business activities.
- Customer conducts business in or ships items through high-risk jurisdictions.
- Customer engages in potentially high-risk activities, e.g., trade in defense articles or services, chemicals, sensitive technical data, and crude oil.
- Commodity being shipped is among those designated as "high risk" for money laundering activities, e.g., high-value, low-volume goods with high turnover rates that present valuation difficulties.
- Commodity is shipped to (or from) a jurisdiction designated as "high risk" for money laundering activities.
- Commodity is transshipped through one or more jurisdictions for no apparent economic reason.
- Commodity being shipped appears inconsistent with the customer's regular business activities.
- Size of the shipment appears inconsistent with the scale of the customer's regular business activities.
- Shipment does not make economic sense, e.g., the use of an oversized container for a small volume of goods.
- Method of payment appears inconsistent with the risk characteristics of the transaction, e.g., the use of an advance payment for a shipment from a new supplier in a high-risk country.



- Receipt of cash (or other payments) from third-party entities that have no apparent connection with the transaction.
- Request to pay proceeds to unrelated third-party entities that have no apparent connection with the transaction.
- Use of repeatedly amended or frequently extended letters of credit.
- Use of front (or shell) companies.
- Transaction structure appears unnecessarily convoluted.

28.2.1 With a view to overcome money laundering activities in trade finance and international trade, we have taken initiatives to include some directives for trade finance and international trade transaction in respect of prevention of Trade Based Money Laundering and Combating Financing to Terrorist (TBML & CFT).

28.3 Import

- It is mandatory to obtain updated/renewed copy of Trade License, Import Registration Certificate (IRC), etc. from respective authority for all corporate customers and individual for new approval, renewal, enhancement etc. Bank also shall take KYC of all its customers at a regular interval.
- For facilitating/ serving Foreign Exchange /Trade related customers through LC or other mechanism, Bank check whether the nature of business support with the transaction under reference. If there is any conflict, the transaction/service must not be done.
- No walking customers are entertained in Trade Finance Business.
- Bank's official will also regularly visit the corporate customers' factory/premises to observe the work in process / business operation, relating to the trade finance business.
- Import shall be made at the most competitive price and it is obligatory for importer at any time to submit documents to import control authority regarding price paid or to be paid on time.
- Commodity price must be verified through international commodity market and from different suppliers/ sources before establishing any LC.
- PBL will closely monitor the transactions with same suppliers to prevent false pricing.
- Bank must check whether the goods to be imported are permissible by the law of the land as per Import Policy Order (2012-15) in force.
- Bank will be confirmed, whether proper H.S. Code is being followed as per First Schedule of Customs Act 1969 based on harmonized commodity description and coding.
- Bank must not issue LC Authorization form (LCAF) to open LC without valid H.S. Code.
- Before opening LC against indent, it is required to be confirmed by the bank whether the Indenting License has been updated/ renewed.
- Bank must check whether LC value commensurate with the LCAF value.
- Bank must check whether LC is issued within the validity of LCAF or special permission has been taken from Statutory Authority in this regard.
- Bank must check whether the validity of shipment of goods is as per IPO in force.
- Import can be done without LC through LCAF for the goods and amount as permitted by import policy order in force.
- Bank must check all relevant papers of C&F Agents in case of their permission/renewal as enlisted agent of the bank.
- For deferred payment LC, Bank must follow the Guideline for Foreign Exchange Transaction 2009 and also Circulars issued by Bangladesh Bank from time to time.
- Proper INCOTERMS must be inserted in LC Application and LC.
- The LC clauses must be in accordance with Uniform Customs Practice for Documentary Credit (UCPDC-600) Publication no.600 and local law.
- Bank must not allow importing restricted goods.
- Bank can insert pre-shipment clause if applicable and requested by the applicant.
- Country of Origin must be mentioned in all cases of Import and reflection of the same must be in the package and container with exceptions as per IPO.
- Importers Name, address and TIN must be inserted in LC application except few exception mentioned in Import Policy Order (IPO) in force.
- Bank must check whether proper documents are presented as per LC terms.



- Import excess over limit set by Chief controller of Import and Export (CCI&E) must not be allowed.
- Before passing any LC through SWIFT, Bank must screen all the outgoing messages with UN, OFAC, and EU sanction list. A guaranteed report in this regard to be preserved.
- Each and every outward remittance also to be screened by the bank to check the true match with UN, OFAC, and EU sanction lists.
- Bank must ensure timely reporting to Bangladesh Bank.

28.4 Export

- Bank shall assess genuineness of ERC, VAT, TIN, and Trade License and their updated / renewed copies.
- Bank shall verify the genuineness of Export LC/Contracts and their adverse clauses.
- Bank shall ask the beneficiary to make amendments of adverse clauses, if there is any, before facilitating against them.
- Before entering to any financial relationship bank must verify the creditworthiness of the buyer by obtaining Credit Report through Head Office.
- Bank shall assess credentials of Partners/Directors of the company.
- Before allowing BTB LC, bank must assess factory condition, production capacity business reputation and market credibility of customer.
- Bank shall check whether the Export LC (ELC) has been transferred properly, if it is transferrable LC.
- Bank shall check whether the First Beneficiary is a Buying House. If so, must check whether the Buying House has been established as per guideline of Bangladesh Bank.
- Bank shall check shipment schedule of ELC before opening BTB LC.
- Being satisfied with the credibleness of the buyer, PBL will allow BTB LC within the permissible limit against export LC.
- Bank shall open BTB LC by assessing lead (shipment validity coverage the production or process) time.
- Bank shall ensure timely shipment of each consignment and ask customer to submit shipping documents timely, so that the presentation of documents be made on time.
- Bank must scrutinize the shipping documents before presentation for collection of funds.
- Bank must monitor timely repatriation of export bills.
- Bank shall not negotiate the discrepant documents.
- Bank shall arrange surprise visit to factory to observe production process.
- Bank must assess at regular interval whether the exporter has got any cases of short shipment and short realization and find out the reason behind it.
- Bank shall ensure Timely reporting to Bangladesh Bank.

28.5 Remittance execution procedure complying AML/CFT guidelines

28.5.1 With a view to monitoring the remittance transactions in compliance with Anti-Money Laundering Act 2012 (amendments 2015, Anti-Terrorism Act 2009 (amendments 2012, 2013), PBL shall develop a software for execution of wage earners remittances. The software shall be fully compliant with Anti-Money Laundering Law, i.e. different sanction lists such as UNSCR, OFAC and IRGC are incorporated in the software. The software includes the followings:

- The sanction screening system will be available at all the branches of PBL as well as Head Office (HO) and the branches/HO shall screen all the remittances at the branch level before making payment to the beneficiaries/beneficiary owners.
- The concerned branch officials shall collect KYC of the beneficiaries or beneficiary owners along with valid photo ID for payment over the counter.
- Remittances received through SWIFT will also be screened in screening system available at Head Office.



Chapter : 29

ML & TF Risk Based Approach29.1 Introduction

- 29.1.1 Recommendation 1 of Financial Action Task Force (FATF), the international standard setter on anti money laundering (AML) and Combating Terrorist Financing (CTF) states that countries should require Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBPs) to identify, assess and take effective action to mitigate their money laundering and terrorist financing risks.
- 29.1.2 In this regard BFIU has issued a guidelines titled 'Money Laundering and Terrorist Financing Risk Assessment Guidelines for Banking Sector in January, 2015 for providing the basic ideas of identifying, assessing and mitigating ML & TF risks that banks may encounter in doing their businesses. Banks were instructed to assess their own ML & TF risk considering their customers, products, delivery channels and geographical positions and upon the vetting of BFIU, the mentioned guidelines would be used to mitigate the risk. BFIU were also instructed to assess regulatory risk i.e. risk arises from non-compliance of AML & CFT measures.
- 29.1.3 To comply with the BFIU instruction Bank has submitted ML & TF Risk Assessment Guidelines including Risk Register. The Money Laundering and Terrorist Financing Risk Register of PBL are shown in Annexure O, for meticulous compliance of the same by the Branches and Divisions/Departments/Units at Head Office to reduce the risks of the bank.



Annexure



.....Branch

Account Opening Form: Transaction Profile

Individual & Non-Individual Account

Date :

Account No:

Unique Customer ID Code:

(For Bank use only)

1. Account Name:

2. Monthly Estimated Income:

3. Monthly Estimated Turnover (for Organization):

Description	Estimated Number of Monthly Deposit	Estimated total Volume of Monthly Deposit	Maximum Deposit in a single Transaction
Deposit:			
Cash (Online and ATM)			
Transfer/Deposit by Instrument			
Foreign Inward Remittance			
Export Proceeds			
Deposit/Transfer from BO Account			
Others (Specifically)			
Total:			
Description	Estimated Number of Monthly Withdrawal	Estimated total Volume of Monthly Withdrawal	Maximum Withdrawal in a single Transaction
Withdrawal:			
Cash (Online and ATM)			
Transfer/Payment by Instrument			
Foreign Outward Remittance			
Settlement of Import Expenses			
Deposit/Transfer from BO Account			
Others (Specifically)			
Total:			





.....Branch

KYC Profile Form

(Application for Individual Account Opening)

Account No:

Unique Customer ID Code:

(For Bank Use Only)

1. Account Name:

2. Nature of the Account:

3. Profession of the Account Holder (in details):

4. Monthly Estimated Income of the Customer:

5. Source(s) of Fund (in details):

6. Documents collected for ensuring the sources of funds:

1.

2.

3.

whether the collected documents are verified or not?: Yes No

7. How does the address(es) of the Account Holder is/are verified (in details):

8. Does the Beneficial Owner of the accounts set or not? Yes No Not applicable

(If the answer is yes, the information about the real Beneficial Owner will be collected according to the annexure 1 (a)).

9. Identity Card:

Copy Taken Verified (v)

- | | | |
|--|--------------------------|--|
| a) Passport Number: | <input type="checkbox"/> | <input type="checkbox"/> (When applicable) |
| b) National ID: | <input type="checkbox"/> | <input type="checkbox"/> (When applicable) |
| c) Birth Certificate No. | <input type="checkbox"/> | <input type="checkbox"/> (When applicable) |
| d) Electronics Tax ID (E-TIN) No. | <input type="checkbox"/> | <input type="checkbox"/> (When applicable) |
| e) Driving License No. | <input type="checkbox"/> | <input type="checkbox"/> (When applicable) |
| f) Other (mention particularly): | <input type="checkbox"/> | <input type="checkbox"/> (When applicable) |

10. Purpose of Account opening by the Non-Resident or Foreigner:

a) Nature of the Visa: Expiration Date:

b) Are the necessary approval from the concern authority and letter of work permit collected for the work permit holder to open bank account? Yes No

(Passport copy for Non-Resident Bangladeshis and VISA & Passport copies for Foreigners must be collected)



11. Whether or not the Customer is politically exposed personal (PEP)/ Influential Person (IP)/ Head of any International Organization or its high ranked official or family member of them or close associates? Yes No
If the answer is yes:

- a) Has the necessary approval taken from Senior Management? Yes No
b) Has the face to face interview taken with the Customer? Yes No

12. Based on the dominant Laws, Regulations and Circulars, with due verifications whether the customer's name has any similarity with the name of any person or entity who is blacklisted by the several resolutions of UN Security Council with a suspicion that he or she is engaged in terrorism or terrorist financing or spread of Mass Destruction Weapons (MDW). Moreover, whether the customer's name has any similarity with the name of any person or entity that is blacklisted and banned by the Bangladesh Government. Yes No

a) If the answer is yes, describe the actions taken:

13. Risk Grading:

a) In which profession the Customer is involved?

SL. No.	Category	Risk Scale
1	Jewelry/Gold Business/Gems Business	5
2	Money Changer/Courier Service/Mobile Banking Agent	5
3	Real Estate Developer/Agent	5
4	Construction Project Promoter/ Contractor	5
5	Artist/Antique's	5
6	Restaurant/Bar/Night Club/ Residential Hotel/ Parlor Business	5
7	Import/Export	5
8	Manpower Export Business	5
9	Arms Business	5
10	Garments Business/Garments Accessories/Buying House	5
11	Pilot/Flight Attendant	5
12	Trust	5
13	Share/ Stock Business Investor	5
14	Software Business/ Information and Technology Business	5
15	Expatriate (Foreigner worked in Bangladesh)	5
16	Travel Agent	4
17	Financing Business for 1 crore per year	4
18	Freight/Shipping/Cargo Agent	4
19	Auto Business (New/Recondition Car)	4
20	Business (Leather and Leather Goods)	4
21	House Construction Business	4
22	Professional (Journalist, Lawyer, Doctor, Engineer, Chartered Accountant)	4
23	Director (Private/Public Company Limited)	4
24	Higher Officer of the Multi National Company	4
25	Housewife	4
26	Service in information-technology	4
27	Player/ Media Celebrity/Producer	4



SL. No.	Category	Risk Scale
28	Freelance Software Developer	4
29	Business Agent	3
30	Government Service	3
31	House Owner	3
32	Cotton Businessman	3
33	Transport Operator	3
34	Tobacco and Cigarette Business	3
35	Entertaining Firm/Park	3
36	Motor Parts/Workshop Business	3
37	Private Service Managerial	3
38	Teacher (Government/Private/Voluntary Educational Firm)	2
39	Service (Private)	2
40	Small Business (annual turnover below 50 lac)	2
41	Self Entrepreneur	2
42	Computer/ Dealer of the Mobile Phone	2
43	Manufacturer (without arms)	2
44	Student	2
45	Retired Person	1
46	Farmer/ Worker/ Fisher Man	1
47	Other (Mention specifically)	1-5

(Details information regarding the profession of the Customer should be analyzed for Customer's risk calculation/ When the profession is business, then the nature of business, fund limit, area of doing business, size of the business, real Beneficiary Owner of the business and other special areas should be considered in case of classifying the Customer in high risk grade or low risk grade. When the profession is service, similar kind of details information regarding the profession, specially the nature of the service and the responsibilities should be analyzed of the Customer's risk grade determination. Considering these aspects, Bank can amplify the score given in serial number 16 or 46 inclusive based on the nature of the customer).

b) Monthly Income of the Customer:

Amount (Taka)	Risk Scale
Upto 1 lac taka	0
> From 1 to 3 lac taka	1
Above 3 lac taka	3

c) Account Opened by:

Category	Risk Scale
By Relationship Management/ Wing	0
By Direct Sales Agent	3
Internet/Non Face to Face	3
Walk In / Willfully	3

d) Volume of Estimated Monthly Transaction of the Client:

Transaction Amount of the Current Account (in lac taka)	Transaction Amount of the Savings Account (in lac taka)	Risk Scale
0-10	0-5	0
>10-20	>5-10	1
>20	>10	3



e) Number of Monthly Transaction of the Client:

Transaction Number of the Current Account	Transaction Number of the Savings Account	Risk Scale
0-15	0-10	0
16-25	11-20	1
>25	>20	3

f) Volume of Monthly Cash Transaction of the Client:

Transaction Amount of the Current Account (in lac taka)	Transaction Amount of the Savings Account (in lac taka)	Risk Scale
0-5	0-2	0
>5-10	>2-5	1
>10	>5	3

g) Number of Monthly Cash Transaction of the Client:

Transaction Number of the Current Account	Transaction Number of the Savings Account	Risk Scale
0-10	0-5	0
11-20	6-10	1
>20	>10	3

14. Overall Risk/ Risk Rating Assessment (total of risk scale from a to g):

Total of risk scale	Overall risk rating
> = 14	High
< 14	Low

Comment:

(In spite of having a lower risk grade than 14, the Customer might be categorized in high risk grade if the Beneficial Owner of the account bears a high risk. In such cases Bank Official will apply his/her subjective judgments and specify the reason.)

Maker:
(Account Opening Officer/
Relationship Manager)

Verifying and Authorizing Officer:
(Branch Anti Money Laundering
Compliance Officer)

Signature (with seal)

Signature (with seal)

Name:

Name:

Date:

Date:

.....
(Higher Authority's confirmation for Account Opening of any PEP/IP/Senior Official of International Organization)

15. Last review & update information of the Customer and Account:

Verifying and Updating Officer:

Signature (with seal)

Name:

Date:





.....Branch

KYC Profile Form

(Application for Non-Individual Account Opening)

Account No:

Unique Customer ID Code:

(For Bank use only)

1. Account Name:

2. Nature of the Account:

3. Nature of the Organization (In details):

4. Net worth of the Organization:

5. Source(s) of Fund (In details):

6. Documents collected for ensuring the sources of funds:

1.

2.

3.

Whether the collected documents are verified or not? Yes No

7. How does the address(es) of the Organization is/are verified (In details):

8. Does the Beneficial Owner of the Accounts set or not? Yes No

(If the answer is yes, the information about the real Beneficial Owner will be collected according to the annexure 1(A)).

In case of company, details information of controlling shareholder and 20% or above single shareholder need to be collected as per annexure 1(A) and must be conducted KYC.

	Copy taken	Verified (✓)
9. E-TIN Number:	<input type="checkbox"/>	<input type="checkbox"/> (When applicable)
10. VAT Registration Number:	<input type="checkbox"/>	<input type="checkbox"/> (When applicable)
11. Business Registration Number:	<input type="checkbox"/>	<input type="checkbox"/> (When applicable)
12. Other Document (mention particularly):	<input type="checkbox"/>	<input type="checkbox"/> (When applicable)

13. Purpose of Account Opening by the Foreign Company/Organization (If applicable)

a) Name of the Controlling Authority:

b) Information regarding Certification of Commencement:



14. Whether or not the Customer Organization has any engagement with a Politically Exposed Person (PEP)/ Influential Person (IP)/Head of any International Organization or its high ranked official or family member of them or close associates? Yes No

If the answer is yes:

a) Has the necessary approval taken from Senior Management? Yes No

b) Has the face to face interview taken with the Customer? Yes No

15. Based on the Dominant Laws, Regulations and Circulars, with due verifications whether the Customer's name has any similarity with the name of any person or entity who is blacklisted by the several resolutions of UN Security Council with a suspicion that he or she is engaged in terrorism or terrorist financing or spread of Mass Destruction Weapons (MDW). Moreover, whether the Customer's name has any similarity with the name of any person or entity that is blacklisted and banned by the Bangladesh Government. Yes No

a) If the answer is yes, describe the actions taken:

--

16. Risk Grading:

a) Type of Business:

SL	Category	Risk Scale
1	Jewelry/Gold Business/Gems Business	5
2	Money Changer/Courier Service/Mobile Banking Agent	5
3	Real Estate Developer/Agent	5
4	Construction Project Promoter/ Contractor	5
5	Artist/Antique's	5
6	Restaurant/Bar/Night Club/ Residential Hotel/ Parlor Business	5
7	Import/Export or its Agent	5
8	Garments Business/Garments Accessories/Buying House	5
9	Share/ Stock Business Investor / Broker/ Portfolio Manager/ Merchant Banker	5
10	NGO/NPO	5
11	Manpower Export Business	5
12	Movie Production Organization	5
13	Arms Business	5
14	Mobile Phone Operator/ Internet or Cable TV operator	5
15	Land/House Buying/Selling Broker (institutional)	5
16	Bank/Leasing/Finance Corporation	5
17	Transportation Business	5
18	Insurance/Brokerage Agency	5
19	Religious Institution	5
20	Trust	5
21	Business (Petrol pump/CNG station)	5
22	Tobacco/Cigarette Business	5
23	Software Business	5
24	Ship Breaking Business	5
25	Business (clearing/forwarding agent)	4
26	Business (dealer/distributor/agent)	4
27	Business (Indenting)	4



SL	Category	Risk Scale
28	Business (Outsourcing)	4
29	Event Management	4
30	Chartered Accountant	4
31	Corporate Customer	4
32	Law firm, Engineering Firm, Consultancy Firm	4
33	Petroleum and Electricity production Company	4
34	Print/Electronic Media	4
35	Travel Agent/Tourism Company	4
36	Auto Dealer (reconditioned car)	4
37	Freight/Shipping/Cargo Agent/CNF Agent	4
38	Auto Primary (new car) Business	4
39	House Building Business	4
40	Business (leather and leather oriented product)	4
41	Telecommunications Company	4
42	Chain Store/Shopping Mall	4
43	Textile/Spinning	3
44	Park	3
45	Motor parts/ Workshop Business	3
46	Business-Agent	3
47	Business (Medicine producer and seller)	3
48	Cold Storage	3
49	Business (frozen foods)	3
50	Business (Hardware)	3
51	Business (Advertisement)	3
52	Service Provider	3
53	Computer/Mobile Phone Dealer	2
54	Poultry/Dairy/Fishing Firm	2
55	Agro Business/ Rice Mill Business/Beverage	2
56	Producer (except arms)	2
57	Shop (retail business)	2
58	Others (mention specifically)	1-5

(Details information regarding the profession of the Customer should be analyzed for Customer's risk calculation. When the profession is Business, then the nature of business, fund limit, area of doing business, size of the business, real beneficiary owner of the business and other special areas should be considered in case of classifying the Customer in high risk grade or low risk grade. When the profession is service, similar kind of details information regarding the profession, specially the nature of the service and the responsibilities should be analyzed of the Customer's risk grade determination. Considering those aspects, Bank can simplify the score given in serial number 15 to 46 inclusive based on the nature of the customer).

b) Net Worth of the Business:

Amount (Taka)	Risk Scale
0 - 1 crore	0
> 1 crore - 3 crore	1
> 3 crore	3

c) Account Opened by:

Category	Risk Scale
By Relationship Management/Wing	0
By Direct Sales Agent	3
Internet/Non Face to Face	3
Walk in / Willfully	3



d) Volume of the Estimated Monthly Transaction of the Client:

Transaction Amount of the Current Account (In lac taka)	Transaction Amount of the Savings Account (In lac taka)	Risk Scale
0-10	0-5	0
>10-50	>5-20	1
>50	>20	3

e) Number of Monthly Transaction of the Client:

Transaction Number of the Current Account	Transaction Number of the Savings Account	Risk Scale
0-100	0-20	0
101-250	21-50	1
>250	>50	3

f) Volume of Monthly Cash Transaction of the Client:

Transaction Amount of the Current Account (In lac taka)	Transaction Amount of the Savings Account (In lac taka)	Risk Scale
0-10	0-2	0
>10-25	>2-7	1
>25	>7	3

g) Number of Monthly Cash Transaction of the Client:

Transaction Number of the Current Account	Transaction Number of the Savings Account	Risk Scale
0-15	0-5	0
16-30	6-10	1
>30	>10	3

17. Overall risk/ risk rating assessment (total of risk scale from a to g):

Total of risk scale	Overall risk rating
≥ 14	High
< 14	Low

Comment:

(In spite of having a lower risk grade than 14, the Customer might be categorized in high risk grade if the Beneficial Owner of the account bears a high risk. In such cases Bank Official will apply his/her subjective judgments and specify the reason.)

Maker:
(Account Opening Officer/Relationship Manager)

Verifying and Authorizing Officer:
(Branch Anti Money Laundering Compliance Officer)

Signature (with seal):

Signature (with seal):

Name:

Name:

Date:

Date:

(Higher Authority's confirmation for Account Opening of any PEP/IP/Senior Official of International Organization)

18. Last review & update information of the Customer and Account:

Verifying and Updating Officer:

Signature (with seal):

Name:

Date:



The Premier Bank Limited

Name of Branch

KNOW YOUR CUSTOMER (KYC) PROFILE FORM

(To be used for Walk-in / One-off / Floating Customers for, DD, TT, PO etc. and for Online Transactions)
Source: Para 3.3-3.4 of BFIU Circular No.19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit.

Dear Customer,

The BFIU Circular No. 19 requires us to obtain satisfactory evidence of identification of applicants who do not maintain accounts with us for conducting one-off transactions.

You are therefore kindly requested to provide the following details, together with appropriate documentary evidence, before this transaction may proceed.

Thank you for your co-operation.

DETAILS OF THE APPLICANT :

01. Name of the Applicant :		
02. Father's Name :		
03. Mother's Name :		
05. Nationality :		
06. Address (details) :		
07. Profession :		
08. Bank A/C Number (if any) :		
09. Reason of Transaction :		
10. Source of Funds :		
11. Identification Document (any 1 should be submitted) :		
Passport No. :	_____	Photocopy Submitted? Yes / No (if Applicable)
National ID Card No.:	_____	Photocopy Submitted? Yes / No (if Applicable)
Birth Registration Certificate (BRC):	_____	Photocopy Submitted? Yes / No (if Applicable)
ID Card with photo in case of BRC	_____	Photocopy Submitted? Yes / No (if Applicable)
12. Phone/Mobile Number :		

VALUE OF TRANSACTION :

13. In Figure :
14. In Words :

Signature :
Date :



Identification of Partners/ Directors & Authorized Signatories

Source: Annexure E of Guidance Notes on Prevention of Money Laundering of Bangladesh Bank.

(Company Letterhead)

Manager
The Premier Bank Limited
..... Branch

Date: _____

Subject : Identification of Partners/ Directors & Authorized Signatories

Dear Sir,

This is to introduce the following directors of the company & authorized signatories of the account(s) of the company maintained with your bank.

Name & Designation	Father's Name Mother's Name	Date of Birth Nationality TIN	Present Address	Permanent Address

We certify that information provided above is true and correct. Please treat this letter together with duly attested photographs of the above individuals attached herewith on separate sheet, as Photo Identification document.

Sincerely,

Chairman/Secretary (Name & Seal)

(Company Stamp)



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.



**ANTI-MONEY LAUNDERING & COMBATING FINANCING of TERRORISM
QUESTIONNAIRE FOR CORRESPONDENT RELATIONSHIP**

A. BASIC INFORMATION

1. Name of Institution: _____
2. Registered Address: _____
3. Website Address: _____
4. Principal Business Activities: _____
5. Regulatory Authority: _____
6. Operational Status: _____
- Does your Bank maintain a physical presence in the licensing country? Yes / No

B. OWNERSHIP / MANAGEMENT

7. Is your institution listed on any stock exchange? Yes / No
If so, which stock exchange? _____
8. If "No" to Q7, please provide a list of the major shareholders holding more than 10% shares in your institution.

C. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING CONTROLS

If you answer "no" to any question, additional information can be supplied at the end of the questionnaire.

I. General AML&CFT Policies, Practices and Procedures:

9. Does your institution have in place policies and procedures approved by your institution's board or senior management to prevent Money Laundering and Combat Financing of Terrorism? Yes / No
10. Does your institution have a legal and regulatory compliance program that includes a designated officer that is responsible for coordinating and overseeing the AML/CFT framework? Yes / No
11. Has your institution developed written policies documenting the processes that they have in place to prevent, detect and report suspicious transactions? Yes / No
12. Does your institution have a policy prohibiting accounts/relationships with shell banks? (A shell bank is defined as a bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group.) Yes / No
13. Does your institution permit the opening of anonymous or numbered accounts by customers? Yes / No
14. Does your institution have policies to reasonably ensure that they will not conduct transactions with or on behalf of shell banks through any of its accounts or products? Yes / No



15. Does your institution have policies covering relationships with Politically Exposed Persons (PEP's), their family and close associates? Yes/ No

16. Does your institution have policies and procedures that require keeping all the records related to customer identification and their transactions? Yes/ No
If "Yes", for how long? _____

II. Risk Assessment

17. Does your institution have a risk-based assessment of its customer base and their transactions? Yes/ No

18. Does your institution determine the appropriate level of enhanced due diligence necessary for those categories of customers and transactions that the FI has reason to believe pose a heightened risk of illicit activities at or through the FI? Yes/ No

III. Know Your Customer, Due Diligence and Enhanced Due Diligence

19. Has your institution implemented processes for the identification of those customers on whose behalf it maintains or operates accounts or conducts transactions? Yes/ No

20. Does your institution have a requirement to collect information regarding its customers' business activities? Yes/ No

21. Does your institution have a process to review and, where appropriate, update customer information relating to high risk client information? Yes/ No

22. Does your institution have procedures to establish a record for each new customer noting their respective identification documents and 'Know Your Customer' information? Yes/ No

23. Does your institution complete a risk-based assessment to understand the normal and expected transactions of its customers? Yes/ No

IV. Reportable Transactions for Prevention and Detection of ML/TF

24. Does your institution have policies or practices for the identification and reporting of transactions that are required to be reported to the authorities? Yes/ No

25. Where cash transaction reporting is mandatory, does your institution have procedures to identify transactions structured to avoid such obligations? Yes/ No

26. Does your institution screen customers and transactions against lists of persons, entities or countries issued by government/competent authorities or under the UN security Council Resolution? Yes/ No



27. Does your institution have policies to reasonably ensure that it only operates with correspondent banks that possess licenses to operate in their countries of origin? Yes / No

IV. Transaction Monitoring

28. Does your institution have a monitoring program for unusual and potentially suspicious activity that covers funds transfers and monetary instruments such as travelers checks, money orders, etc? Yes / No

V. AML Training

29. Does your institution provide AML& CFT training to relevant employees of your organisation? Yes / No
30. Does your institution communicate new AML related laws or changes to existing AML related policies or practices to relevant employees? Yes / No
31. Does your institution provide AML training to relevant third parties if they are employed to carry out some of the functions of your organisation? Yes / No

Space for additional information:

(Please indicate which question the information is referring to.)

D. GENERAL

32. Does the responses provided in this Declaration applies to the following entities: Yes / No
- Head Office and all domestic branches
 - Overseas branches
 - Domestic subsidiaries
 - Overseas subsidiaries

If the response to any of the above is 'No', please provide a list of the branches and /or subsidiaries that are excluded, including the name of the institution, location and contact details.

I, the undersigned, confirm to the best of my knowledge that the information provided in this questionnaire is current, accurate and representative of the anti-money laundering and anti-terrorist financing policies and procedures that are established in my institution.

I also confirm that I am authorized to complete this questionnaire on behalf of my institution.

Signature: _____
Name: _____
Designation: _____
Date: _____
Contact No: _____
Email: _____



MONTHLY EXCEPTIONS REPORT

The Premier Bank Limited
 _____ Branch
 Daily Account Review Register

Enclosure: A

Reporting Month: _____

Date	Account No.	Declared TP) (Dr. & Cr.)	No. of Dr.&Cr.	Transaction Type	Total Transaction Amount (Dr. & Cr.)	Geographic Origin/ Destination (Bank/Branch etc)	Remarks	Initial of Reviewing Officer

The Premier Bank Limited
 _____ Branch
 Monthly Exception Report

Enclosure: B

Reporting Month: _____

Sl. No.	Account No.	Account Title	Declared Transaction Limit (TP)	No. of Exceptions	Total Amount of Actual Transaction	Reason for Exceptions/ Remarks

Prepared by _____

Reviewed by _____

The Premier Bank Limited
 _____ Branch
 Review of Monthly Exception Report

Enclosure: C

Reporting Month: _____

Sl.	Description	No. of A/Cs
1.	No. of A/Cs reviewed in the monthly meeting of BAMLCC	
2.	No. of A/Cs where the Committee decided to discuss with the customer	
3.	No. of A/Cs where the Committee decided to update the TP	
4.	No. of A/Cs where the Committee decided to prepare STR	
5.	No. of A/Cs where the Committee decided not to take any action	

Prepared by _____

BAMLCO _____



The Premier Bank Limited
_____ Branch

Suspicious Transaction Report (STR)
(For Internal Use Only)

(To be Filled in by the Reporting Officer)

A. Report Details :
Date of Reporting: _____

B. Suspect Account Details :
Account Number: _____
Title of the Account: _____

C. Account Holder Details :
Account Holder's Name: _____
Address: _____
Profession: _____

D. Suspicious Transaction Information :
Amount of Transaction: _____
Date of Transaction: _____
Type of Transaction: _____

E. Brief Description / Reasons for Considering the Transaction(s) as Unusual/Suspicious :

(To be Filled in by the BAMLCO)

F. Comments of BAMLCO :

G. Action Taken : To report as STR to CAMLCO, or
 Not to report as STR to CAMLCO.

Note : For reporting as STR to the CAMLCO, please fill up Annexure-'Ga' of BFIU Circular No. 10 dated 28-12-2014 of Bangladesh Financial Intelligence Unit (BFIU).

Signature of BAMLCO:

Name : _____
Designation : _____



Suspicious Transaction Report (STR)
 (For Reporting to CAMLCO)

Source: Annexure-'Ga' of BFIU Circular No. 10 dated 28-12-2014 of Bangladesh Financial Intelligence Unit (BFIU).

A.	Reporting Institution :			
	1. Name of the Bank:			
	2. Name of the Branch:			
B.	Details of Report :			
	1. Date of Sending Report:			
	2. Is this the addition of an earlier report?	Yes	No	
	3. If Yes, Mention the Date of Previous Report:			
C.	Suspect Account Details :			
	1. Account Number:			
	2. Name of the Account:			
	3. Nature of the Account:	[Current/Savings/Loan/Other, (Pls. Specify)]		
	4. Nature of Ownership:	[Individual/Proprietorship/Partnership/Company/Other, (Pls. Specify)]		
	5. Date of Opening:			
	6. Address:			
D.	Account Holder Details :			
1.	1. Name of the Account Holder:			
	2. Address:			
	3. Profession:			
	4. Nationality:			
	5. Other Account(s) Number (if any):			
	6. Other Business:			
	7. Father's Name:			
	8. Mother's Name:			
	9. Date of Birth:			



	10. Place of Birth	
	11. Passport No.	
	12. National Identification No.	
	13. Birth Registration No.	
	14. TIN:	
2.	1. Name of the Account Holder:	
	2. Relation with the Account Holder Mentioned in Sl. No. D1:	
	3. Address:	
	4. Profession:	
	5. Nationality:	
	6. Other Account(s) Number (if any):	
	7. Other Business:	
	8. Father's Name:	
	9. Mother's Name:	
	10. Date of Birth:	
	11. Place of Birth:	
	12. Passport No:	
	13. National Identification No:	
	14. Birth Registration No:	
	15. TIN:	

E. Introducer Details :

1. Name of Introducer:	<input type="text"/>
2. Account Number:	<input type="text"/>
3. Relation with the Account Holder:	<input type="text"/>
4. Address:	<input type="text"/>
5. Date of Opening:	<input type="text"/>
6. Whether Introducer is Maintaining Good Relation with Bank:	<input type="text"/>



F. Reasons for Considering the Transaction(s) as Suspicious :

- a. Identity of Clients
- b. Activity in Account
- c. Background of Client
- d. Multiple Accounts
- e. Nature of Transaction
- f. Value of Transaction
- g. Other Reason (Pls. Specify)

*(Mention summary of suspicion and consequence of events)
(To be filled by the BAMLCO)*

G. Suspicious Activity Information :
Summary Characterization of Suspicious Activity:

- a. Corruption and Bribery
- b. Counterfeiting Currency
- c. Counterfeiting deeds & documents
- d. Extortion
- e. Fraud
- f. Forgery
- g. Illegal Trade of Firearms
- h. Illegal Trade in Narcotic Drugs, Psychotropic substances and substances causing intoxication.
- i. Illegal trade in stolen and other goods
- j. Kidnapping, Illegal restrain and hostage taking
- k. Murder, grievous physical injury
- l. Trafficking of women and children
- m. Black marketing
- n. Smuggling of domestic and foreign currency
- o. Human trafficking
- p. Human trafficking
- q. dowry
- r. Smuggling and offences related to customs and excise duties
- s. Tax related offences
- t. Infringement of intellectual property rights
- u. Terrorism or financing in terrorist activities
- v. Adulteration or the manufacture of goods through infringement of title
- w. Offences relating to the environment
- x. Sexual exploitation
- y. Insider trading and market manipulation
- z. Organized crime, and participation in organized criminal groups
- aa. Racketeering
- bb. Other (pls. specify)

H. Transaction/Attempted Transaction Details :

Sl. No.	Date	Amount	Type*

*Cash/Transfer/Clearing/TT/etc.
Add Paper if Necessary.

I. Counter Part's Details :

Sl. No.	Date	Bank	Branch	Account No.	Amount



J. Has the suspicious transaction/activity had a material impact on or otherwise affected the financial soundness of the bank?

Yes No

K. Has the bank taken any action in this context? If yes, give details.

L. Documents to be enclosed:

- 1. Account opening form along with submitted documents
- 2. KYC Profile, Transaction Profile
- 3. Account statement for last one year
- 4. Supporting Voucher/correspondence mention in SI. No. H
- 5. Others

Signature : (CAMLCO or Authorized Officer of CAMLCO's Office)
Name :
Designation :
Phone :
Date :



Self-Assessment Report

Source: Annexure-Kha of BFIU Circular No. 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit.

(Branch shall prepare Self-Assessment Report by answering the following questions as per instructions laid down under Section 8.6 of ML and TF Risk Management Guidelines of Bangladesh Bank and considering the bank's own and national AML policies and procedures)

Premier Bank
service first

The Premier Bank Limited

SELF ASSESSMENT PROCEDURE

on Anti-Money Laundering/Anti-Terrorist Financing for the Half Year ended DD/ MM / YYYY
of Branch (Branch opened on . . . /20 . . .)

Source: Annexure-Kha of BFIU Circular No.-19 dated 17-09-2017 of Bangladesh Bank.

শাখা কর্তৃক Self Assessment পদ্ধতির মাধ্যমে শিল্পের অবস্থান নির্ণয়

প্রতিটি ব্যাংক শাখা মানিলভারিং ও সন্ত্রাসী কার্যে অর্গান প্রতিরোধ বিষয়ে বিদ্যমান আইন, বিধিমালা, বিএফআইইউ কর্তৃক সময় সময় আয়োজিত নির্দেশনা ও ব্যাংকের নিজস্ব মানি লভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্গান প্রতিরোধ নীতিমালায় আলোকে নিম্নবর্ণিত প্রশ্নমালায় বিস্তারিত উত্তর প্রদানের মাধ্যমে Self Assessment পদ্ধতিতে নিজস্বের অবস্থান নির্ণয় করবে।

প্রশ্নমালা	ব্যাংকের মানসিক	শাখার বর্তমান অবস্থা	গৃহীতব্য কার্যক্রম/সুপারিশ
১. শাখার মোট কর্মকর্তার সংখ্যা কত (পলানুযায়ী)? কতজন কর্মকর্তা মানিলভারিং প্রতিরোধ ও সন্ত্রাসে অর্গান প্রতিরোধ বিষয়ক আনুষ্ঠানিক প্রশিক্ষণ গ্রহণ করেছেন? (শতকরা হার)	প্রশিক্ষণ সংশ্লিষ্ট রেকর্ড যাচাই করতে হবে।		
২.ক) শাখার মানিলভারিং প্রতিরোধ পরিপালন কর্মকর্তা (BAMCO) রেকর্ড ও অভিন্ন কিনা? বিগত দুই বছরে তিনি মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্গান প্রতিরোধ বিষয়ক কোন প্রশিক্ষণ পেয়েছেন কি না? খ) শাখার মানি লভারিং প্রতিরোধ কার্যক্রম বহুনিয়মে পরিপালিত হচ্ছে এ বিষয়টি নিশ্চিত হওয়ার লক্ষ্যে BAMCO নিষিদ্ধ ও গ্রহণযোগ্য সময় পর পর এবং কার্যকর প্রক্রিয়ার মনিটরিং ও পর্যালোচনা করে থাকেন কিনা?	BAMCO কর্তৃক - • KYC কার্যক্রমের যথাযথ মনিটরিং করা হয় কিনা? • যথাযথভাবে Transaction মনিটরিং এবং সংশ্লিষ্ট সন্দেহজনক সন্দেহজনক রিপোর্ট (ইন্টারনাল রিপোর্টসহ) করা হয় কিনা? • যথাযথভাবে রেকর্ড সংরক্ষণ করা হয় কিনা? • CTR যাচাই এবং SIR সনাক্তকরণে ব্যবস্থা নেয়া হয় কিনা? • বৈদেশিক ট্রান্স ইনওয়্যার্ট ও আউটওয়্যার্ট সন্দেহজনক মনিটরিং করা হচ্ছে কিনা?		
৩. BAMCO সহ শাখার কর্মকর্তাগণ মানিলভারিং ও সন্ত্রাসী কার্যে অর্গান প্রতিরোধ বিষয়ে বিদ্যমান আইন, বিধিমালা, বিএফআইইউ কর্তৃক সময় সময় আয়োজিত নির্দেশনা ও ব্যাংকের নিজস্ব মানি লভারিং প্রতিরোধ ও সন্ত্রাসে অর্গান প্রতিরোধ নীতিমালা সম্পর্কে অবগিত আছেন কি?	বিষয়টি ব্যাংকের পক্ষি		



প্রশ্নমালা	যাচাইয়ের মানদণ্ড	শাখার বর্কমান-সেবাস্থা	গৃহীতব্য কার্যক্রম/সুপারিশ
৫. শাখা পর্যায়ে ত্রৈমাসিক ত্রিভুজিত মাপি লভ্যারিং ও সন্মানে অর্থাংশ প্রতিরোধ বিষয়ক সভা অনুষ্ঠিত হয় কিসা?	<ul style="list-style-type: none"> • সভার আলোচনাসূচী নকলের প্রকৃতির মন্য কর্তন করা হয় কিনা? • সভার কী কী গুরুত্বপূর্ণ দিকান্ত গৃহীত হয়েছে? • সভার গৃহীত দিকান্ত কিভাবে বাস্তবায়িত হয়? 		
৫. সকল প্রকার হিসাব খোলা ও লেনদেন পরিচালনার ক্ষেত্রে মাপি লভ্যারিং প্রতিরোধ আইন, সন্মানে বিয়োগী আইন এবং সময়ে সময়ে বিএফআইইউ কর্তৃক জারীকৃত নির্দেশনা অনুসারে গ্রাহক পরিচিতি সন্তোষজনকভাবে গ্রহণ করা হয় কিসা ?	<ul style="list-style-type: none"> • গ্রাহক পরিচিতির বর্ধারতা কিভাবে যাচাই করা হয়? কিভাবে তা শাখার সংরক্ষণ করা হবে? • KYC সম্পাদনকালে গ্রাহকের তথ্যবিশেষ উৎস যাচাই করা হয় কিনা? • হিসাবের প্রকৃত সুবিধাজোগী (Beneficial Owner) সনাক্ত করা হয় কিনা এবং তা যাচাই এর প্রক্রিয়া সন্তোষজনক কিনা? • উচ্চ ঝুঁকিবিশিষ্ট গ্রাহকদের ক্ষেত্রে ঝুঁকিত নির্মাণে অভিযুক্ত তথ্য (EDD) নক্সহ করা হয় কিনা? 		
৬. ক) ঝুঁকিত ত্রিভুজিত শাখা আসের গ্রাহকদের প্রণীকিত্যাস/প্রণীকরণ করে কিসা? খ) উচ্চ ঝুঁকিসম্পন্ন হিসাবের লেনদেন মণিটরিং করা হয় কিসা?	<ul style="list-style-type: none"> • এ পর্ত্ত তজটি উচ্চ ঝুঁকি সম্পন্ন হিসাব পাখার খোলা হয়েছে? • এ ধরনের হিসাব খোলা ও পরিচালনার ক্ষেত্রে শাখা কী পদক্ষেপ গ্রহণ করেছে? • কী পদ্ধতিতে উচ্চ ঝুঁকিসম্পন্ন হিসাবের লেনদেন মণিটরিং করা হয়? 		
৭. বিএফআইইউ কর্তৃক জারীকৃত নির্দেশনা এবং ব্যাংকের শিল্প নীতিমালা অনুসারী মাপিলভ্যারিং ও সন্মানে অর্থাংশ সন্মানে ঝুঁকি প্রতিরোধে যথাযথ ব্যবস্থা গ্রহণ করা হয়েছে কী সা?	<ul style="list-style-type: none"> • এ বিষয়ক নিম্ন নীতিমালা প্রণয়ন করা হয়েছে কিনা? • উচ্চ নীতিমালা পাখার কিভাবে বাস্তবায়িত হয়েছে? 		



প্রশ্নমালা	বাচাইয়ের মানদণ্ড	শাখার বর্তমান অবস্থা	গৃহীতব্য কার্যক্রম/সুপারিশ
৮. শাখা গ্রাহকের KYC Profile এর তথ্য বিএফআইইউ কর্তৃক জারীকৃত নির্দেশনা মোতাবেক নির্দিষ্ট সময় পর পর পুনঃমূল্যায়নপূর্বক হালনাগাদ করে কিনা?	কী পদ্ধতিতে এজন্য মূল্যায়ন সম্পন্নিত হয়ে থাকে?		
৯. শাখা Walk-in-Customer-দের ক্ষেত্রে KYC প্রক্রিয়া অনুসরণ করে কি?	কিভাবে আসোচ্য প্রক্রিয়াটি সম্পন্ন করে থাকে?		
১০. Online ব্যাংকিং এর ক্ষেত্রে হিসাবধারী ব্যাচীত অন্য কোন ব্যক্তি অর্থ চুরা করলে সেক্ষেত্রে কোন ধরনের KYC প্রক্রিয়া অনুসরণ করা হয় কি?	কয় থাকলে কী প্রক্রিয়ায় তা সম্পন্নিত হয়েছে?		
১১. শাখা কী পদ্ধতিতে গ্রাহকের লেনদেন মনিটরিং করে থাকে?	<ul style="list-style-type: none"> • ব্যাংক শাখা কর্তৃক নির্ধারিত সীমার উপরে লেনদেনের (Threshold) তিরিহিতে অথবা • গ্রাহক কর্তৃক ঘোষিত লেনদেনের অনুমিত মাত্রা (IP) এর তিরিহিতে; অথবা অন্য কোন পদ্ধতিতে ; • গৃহীত লেনদেনের অনুমিত মাত্রা (IP) গ্রাহকের পেশা ও আয়ের সাথে সংগতিপূর্ণ কিনা তা যাচাই করা হয় কিনা? • ঘোষিত অনুমিত মাত্রার সাথে পরবর্তীতে গ্রাহক কর্তৃক সম্পন্নিত প্রকৃত লেনদেন যাচাই করা হয় কিনা ? • শাখা কর্তৃক একটি নির্ধারিত Thersshhold এর তিরিহিতে প্রতিদিনের লেনদেন মনিটর করা হয় কিনা? • শাখায় একটি নির্দিষ্ট সময় পর পর নতুন তিরিহিতে গ্রাহকের KYC Profile এ এসক তথ্যের সাথে লেনদেনের সামঞ্জস্যতা যাচাই করা হয় কিনা? 		



প্রশ্নমালা	বাচহিতের মানদণ্ড	শাখার বর্তমান অবস্থা	গৃহীতব্য কার্যক্রম/সুপারিশ
<p>১২. সন্ত্রাস বিরোধী আইন, ২০০৯ এর অধীন সন্ত্রাসী কার্যে অর্থাচলন প্রতিরোধের লক্ষ্যে শাখা কী ধরনের পদক্ষেপ গ্রহণ করেছে?</p>	<ul style="list-style-type: none"> • জাতিসংঘের নিয়ন্ত্রণ পরিষদের বিভিন্ন রেজুলেশনের আওতার সন্ত্রাস, সন্ত্রাসী কার্য ও ব্যাপক ধাংসাঙ্ক অর্থাচলনে জড়িত সম্ভব তালিকাভুক্ত কোন ব্যক্তি বা সত্তা এবং বাংলাদেশ সরকার কর্তৃক তালিকাভুক্ত কোন ব্যক্তি বা নির্দিষ্ট যোজিত সত্তার নামের তালিকা শাখায় সংরক্ষণ ও তদনুসারে হিসাব ও সেনসেন কার্যক্রমে বাতাই করা হয় কিনা? রিপোর্টিং • শাখা এ বিষয়ক নিয়ম কোন পদ্ধতি অনুসরণ করে কি না? • শাখা কর্তৃক কোন <i>False Positive</i> তালিকা সংরক্ষণ করা হয় কি না? • এরূপ কোন ব্যক্তি বা সত্তার নামে শাখায় পরিচালিত হিসাবের (যদি থাকে) বিঘ্নে বিএফআইইউ কে অবহিত করা হয় কিনা? 		
<p>১৩. এ ব্যবধ শাখা কর্তৃক কতগুলো সন্দেহজনক সেনসেন (STR) শনাক্ত করা হয়েছে?</p>	<ul style="list-style-type: none"> • শাখায় সন্দেহজনক সেনসেন চিহ্নিত করার কোন পদ্ধতি অনুসরণ করা হয় কিনা? • শাখায় সন্দেহজনক সেনসেন রিপোর্টিং এর জন্য অভ্যন্তরীণ রিপোর্টিং ব্যবস্থা চালু রয়েছে কিনা? • শাখা পর্যায় নিষ্পত্তিকৃত অভ্যন্তরীণ রিপোর্ট সংরক্ষণ করা হয় কিনা? • এ ব্যবধ কতগুলো STR শনাক্ত করা হয়েছে? কতগুলো AML/CFT Division/Dept. এ রিপোর্ট করা হয়েছে? 		



প্রশ্নমালা	ম্যানুয়ালের মাসদস্ত	শাখার বর্তমান-স্ববস্থা	পৃষ্ঠীতব্য কার্যক্রম/সুপারিশ
১৪. গ্রাহক কর্তৃক পুঙ্খ পুঙ্খ শুল্ক লেনদেন রিপোর্টিং (CTR) নীমায় শীটে লেনদেন (Structuring) শুল্ক করার কোন গণ্ডতি শাখা কর্তৃক প্রতিষ্ঠিত হয়েছে কিম্বা?	গ্রাহকদের লেনদেনে Structuring শুল্ক করার জন্য কোন রিপোর্ট তৈরি করা হবে কিম্বা না কোন পদ্ধতি রয়েছে কিম্বা? (সিদ্ধান্তিক সিদ্ধান্ত)		
১৫. শাখা কর্তৃক পিরমিত ও সঠিকভাবে CTR কেন্দ্রীয় পরিপালন ইউসিটে প্রেরণ করা হচ্ছে কিম্বা?	<ul style="list-style-type: none"> • প্রেরিত তথ্যের সঠিকতা কিভাবে যাচাই করা হচ্ছে? • কেন্দ্রীয়ভাবে CTR রিপোর্ট করার ক্ষেত্রে শাখা নিম্নের CTR রিপোর্ট সংগ্রহপূর্ণক মনিটরিং কার্যক্রম অব্যাহত রাখে কিম্বা ? 		
১৬. মারি লন্ডারিং প্রতিরোধ আইন, সন্ধান বিচারাধী আইন, সার্ভিশার, প্রশিক্ষণ রেকর্ড, বিবরণী ও অন্যান্য এএমএল/সিএফটি সন্ধান বিবরণাবলীর আলোচনা শবি শাখা কর্তৃক সংরক্ষণ করা হয় কিম্বা? আইন, সার্ভিশার ইত্যাদির কপি শাখার সকল কর্মকর্তা/কর্মচারীদের সরবরাহ করা হয় কিম্বা?	হবে থাকলে হ্যাঁ অথবা না হবে থাকলে না, আনুশিক হলে কী কী সংরক্ষিত আছে তা লিখুন।		
১৭. বিএকআইইউ মাস্টার সার্ভিশার অনুসারে শাখার PEPs, প্রভাবশালী ব্যক্তি, আন্তর্জাতিক সংস্থার প্রকাশ বা উচ্চ পর্যায়ের কর্মকর্তার কোন হিসাব সংরক্ষণ করা হচ্ছে কিম্বা?	উক্ত হ্যাঁ হলে এই হিসাব খোলা ও পরিচালনার ক্ষেত্রে কী কী ধরণের নতকর্তা অবলম্বন করা হচ্ছে?		
১৮. শাখার অয়ার ট্রাসকার সন্ধান লেনদেনের ক্ষেত্রে বিএকআইইউ এর শির্সেশা বগানপতাবে অনুসরণ করা হচ্ছে কিম্বা?			
১৯. প্রকাশ কার্যক্রম ও বাংলাদেশ ব্যাংক, বাংলাদেশ ফাইন্যান্সিয়াল ইন্টেলিজেন্স ইউসিটি-এর পরিদর্শন প্রতিবেদনে উল্লেখিত মারি লন্ডারিং প্রতিরোধ ও সন্ধান অর্থাৎ প্রতিরোধ পরিপালন বিবরণক সূর্বলতা/অশিরমসমূহ পিরমিত করা হয়েছে কিম্বা?	না হবে থাকলে প্রতিবছরকতানমূহ কী কী?		
২০. শাখা কর্তৃক বৈদেশিক রেমিটেন্সসহ অন্যান্য ইনওয়্যার্ড ও আউটওয়্যার্ড বৈদেশিক মুদ্রার লেনদেন মনিটরিং করা হয় কিম্বা?	হবে থাকলে কিভাবে? ইনওয়্যার্ড রেমিটেন্স সংক্রান্ত লেনদেন, প্রবেশা ক্ষেত্রে,		



প্রশ্নমালা	যাচাইয়ের মানদণ্ড	শাখার বর্তমান-সেবাহা	পূর্বীকৃত্য কার্যক্রম/সুপারিশ
	নিএকজাইইউজ কর্তৃক সময়ে সময়ে সরবরাহকৃত সস্তাদী সংগঠন/ ব্যক্তির জগিতা যাচাই করা হচ্ছে কিনা?		
২১. শাখার বৈশেষিক ব্যক্তিগত সর্বশ্রুতি লেশসেশ (এলসি, গ্যারাণ্টি ইত্যাদি) যথযাথভাবে মণিটরিং করা হচ্ছে কী না?			
২২. শাখার ঊন হিসাব ও এ সর্বশ্রুতি অগ্যাশা লেশসেশ যথযাথভাবে মণিটরিং করা হচ্ছে কী না?			

শাখা মণি লন্ডারিং প্রতিরোধ পরিপালন কর্মকর্তার শানমুক্ত সীলসহ স্বাক্ষর ও তারিখ	শাখা যাবস্থাপকের শানমুক্ত সীলসহ স্বাক্ষর ও তারিখ
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Date:

Minutes of BAMLCC Meeting

Meeting	Meeting of Branch AML Compliance Committee (BAMLCC)
Venue	Manager's Chamber
Members Present	1. Mr./Ms.
	2. Mr./Ms.
	3. Mr./Ms.
	4. Mr./Ms.
Introduction	Discussion on previous BAMLCC meeting agendas
Discussion	
Agenda No. 01	Discussion in details on AML & CTF Act & Bangladesh Guidelines
Discussion	
Decision	
Responsibility	Mr./Ms.
Agenda No. 02	Discussion in details on Bangladesh Bank's Circulars & Circular Letters
Discussion	
Decision	
Responsibility	Mr./Ms.
Agenda No. 10	Detail discussion on Know Your Customer (KYC)
Discussion	
Decision	
Responsibility	Mr./Ms.
Agenda No. 03	Detail discussion on Transaction Monitoring
Discussion	
Decision	
Responsibility	Mr./Ms.
Agenda No. 04	Detail discussion on identify the STR and Structuring and Reporting Procedure
Discussion	
Decision	
Responsibility	Mr./Ms.
Agenda No. 05	Discuss & Identify areas of risk/problem based on Self-Assessment Procedure
Discussion	
Decision	
Responsibility	Mr./Ms.
Agenda No. 06	Find out ways/recommendations to mitigate the risk/problem areas
Discussion	
Decision	
Responsibility	Mr./Ms.
Agenda No. 07	Details discussion on File maintenance
Discussion	
Decision	
Responsibility	Mr./Ms.
Agenda No. 08	Training & Awareness Creation including Examination
Discussion	
Decision	
Responsibility	Mr./Ms.



Agenda No. 09	Identification of PEP's, Domestic Influential Person's & High Official of International Organization
Discussion	
Decision	
Responsibility	Mr./Ms.

Signature of All Members:



Independent Testing Procedures Report

Source: Annexure- Ga of BFIU Circular No. 19 dated 17-09-2017 of Bangladesh Financial Intelligence Unit.

(Internal Control & Compliance Division shall assess the AML performance of the branch based on this questionnaire (supported by documents) as per instructions laid down under Section 8.8 of ML and TF Risk Assessment Guidelines of Bangladesh Bank. ICCD shall include their findings with recommendations in a separate Chapter on Anti Money Laundering in their Annual Branch Audit Report.

Means of Verification: If Fully Complied – Full Score, If Partially Complied – Partial Score, If Not Complied – Zero Score)

Score	Rating
91-100	Strong
71-90	Satisfactory
56-70	Fair
41-55	Marginal
40 & Below	Unsatisfactory

Premier Bank
service firstAnti-Money Laundering Division
Head Office, Banani, Dhaka

Inspection Date:

Score:

“INDEPENDENT TESTING PROCEDURE REPORT (ITP)”
On Anti-Money Laundering & Anti-Terrorist Financing Performance of
_____ Branch (Branch opened on _____)

Independent Testing Rating:

শাখা পরিদর্শনের তেজসিষ্ট

[ব্যাংকের অন্তর্ভুক্ত শাখা পরিদর্শন ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ে বিদ্যমান আইন, বিধিমালা, বিএফসিআইইউ কর্তৃক লম্বা সময় স্বীকৃত নির্দেশনা ও ব্যাংকের নিজস্ব নীতিমালা প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ নীতিমালায় আলোকে পিল্লিসিষ্ট প্রক্রিয়ার দৃষ্টান্ত উত্তর (তদুপস্থিত তথ্য) অনুসারে স্কোর প্রাপ্ত শাখার নীতিমালা প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ কার্যক্রমকে মূল্যায়ন করবে। অন্তর্ভুক্ত শাখা পরিদর্শন কর্তৃক শাখার উপর প্রদত্ত বার্ষিক পরীক্ষা প্রতিবেদনে (প্রয়োজ্য ক্ষেত্রে পূর্ব পরিদর্শন কর্মসূচীর আওতাধীন তথ্য) Independent Testing Procedures সিস্টেম প্রতিবেদন প্রদত্ত হবে) নীতিমালা প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ কার্যক্রম মূল্যায়ন সংক্রান্ত আলোকে অধ্যয়ন সনুসৃত বিষয়াদি সুপারিশসহ সিস্টেম করবে।

(যদিও প্রতিবেদন মূল্যায়ন সম্পূর্ণরূপে পরিচালিত হলে সম্পূর্ণ স্কোর, আংশিক পরিচালনে আংশিক স্কোর এবং উত্তর দেয়নি হলে শূন্য স্কোর প্রকাশ করতে হবে।)

ব্যাংকের নাম

শাখার নাম

৪

ক্র. নং	পরিদর্শন কেন্দ্র	বিষয়	যদিও উত্তর	মন্তব্য	মোট নম্বর	প্রাপ্ত নম্বর	
১	২	৩	৪	৫	৬	৭	
১	শাখা পরিচালন কর্মকর্তা মূল্যায়ন	ক) শাখার একজন পরিচালন কর্মকর্তা (BAMLCO) আছে কি না?	সর্বশেষ অফিস অর্ডার সেটুল এবং অফিস আদেশে BAMLCO এর Job Responsibilities অন্তর্ভুক্ত রয়েছে কিনা যাচাই করুন।		১		
		খ) BAMLCO অভিজ্ঞ ও স্কোপে কি না?	বিএফসিআইইউ সার্ভিসের নির্দেশনায় আলোকে যাচাই করুন।				২
		২) BAMLCO এর উপর অর্পিত দায়িত্ব দৃষ্টান্তভাবে পরিচালন করে কিনা?	BAMLCO এর বার্ষিক কার্যক্রম পরীক্ষা করুন				৩
২	গ্রাহক পরিচিতি (KYC)	ক) অভিন্ন হিসাব বোলায় কখন অনুমোদিত হিসাব বোলা হয় কি না?	শাখার হিসাব বোলায় কেবল প্রয়োজনীয় কার্যক্রম দৃষ্টান্তভাবে সম্পন্ন করা হয়েছে কি না তা নিশ্চিত হওয়ার জন্য সকল ধরনের হিসাবের তথ্যগত ও টি করে ক্রম যাচাই করুন। সংশ্লিষ্ট তথ্য বিস্তারিত যাচাই করা হয়েছে, তা পরীক্ষা করুন।		২		
		খ) গ্রাহকের ব্যক্তি সংক্রান্ত তথ্য দৃষ্টান্তভাবে যাচাই করা হয়েছে কি না?	কি পদ্ধতিতে যাচাই করা হয়েছে এবং যাচাই এর লক্ষ্যে সংশ্লিষ্ট মালিগানি পর্যালোচনা করুন। পত্রিকা সিস্টেমে অন্তত ১০টি হিসাবের KYC ক্রম ও সংশ্লিষ্ট মালিগানি যাচাই করুন।				২
		২) গ্রাহকের তথ্যের উপর যাচাই করা হয়েছে কি না?	Risk Based Approach এর সিস্টেমে অন্তত ১০টি হিসাবের তথ্যের উপস্থাপন সঠিকতা যাচাই করুন।				৪



ক্র. নং	নির্দেশন ক্ষেত্র	বিষয়	যাচাইয়ের উপায়	মন্তব্য	মোট নম্বর	প্রাপ্ত নম্বর
গ্রাহক পরিচিতি (KYC)	০	খ) হিসাবের গ্রহণ সুবিধাভোগী (Beneficial Owner) শনাক্ত করা হয় কি না এবং উহা যাচাই এমিয়া কি?	কর্তৃত্ব বিএফআইইউ সার্ভুলার ও পাইকলাইফ এর তিষ্ঠিতে ১০টি হিসাবের KYC করনের সাথে শংকৃত কাগজপত্রাদি/তথ্যাদি যাচাই করে দেখতে হবে।		৪	
		ক) শাখা কর্তৃক গ্রাহক পরিচয়/হিসাব খোলা/সেবা গ্রহণের জন্য গ্রাহকের গ্রহণ কার্যক্রম কর্তৃক গ্রহণকৃত ঝিক মাফেকসেইট পাইকলাইফে উল্লিখিত নির্দেশনাদী শাখায় পরিপালন করা হয় কি না?	ঝিক ডেলিভারি মোডাবেক শাখা কি ব্যবস্থা নিজেই তা পরীক্ষা করণ।		২	
		খ) শাখায় যুক্তিভিত্তিক গ্রাহক বিভাজন/শ্রেণীবিভাগ/ শ্রেণীকরণ করা হয় কি না এবং তা ব্যবহার কি না?	অভিন্ন হিসাব খোলার করতে এসে ঝিক গ্রাহক তথ্যে উল্লিখিত নির্দেশনার সাথে শাখায় যুক্তিভিত্তিক গ্রাহক বিভাজন/শ্রেণীবিভাগ/ শ্রেণীকরণ পদ্ধতি সংশ্লিষ্ট কি না তা পরীক্ষা করণ।		১	
		গ) উক্ত যুক্তিভিত্তিক গ্রাহকদের ক্ষেত্রে যুক্তির পিঠাবে অতিরিক্ত তথ্য ও এসলপেজের নমিনালি সত্বেকন ও যাচাই করা হয় কি না (EDD)?	শাখায় শংকৃত উক্ত যুক্তিভিত্তিক গ্রাহকদের অলিকা সঙ্ক্রেপূর্বক সংশ্লিষ্ট হিসাবসমূহ পর্যালোচয়াকরণ কী ধরনের তথ্য সংক্রে করা হয় এবং তা ব্যবহার কি না পরীক্ষা করণ।		১	
	৪	ক) বিভিন্ন সময় পর পর/প্রয়োজন অনুসারে KYC হালনাগাদ করা হয় কি না?	বিএফআইইউ সার্ভুলারের নির্দেশনা মোডাবেক কাগজপত্রাদি/তথ্যাদি যাচাই করণ।		১	
	খ) শাখা কর্তৃক আসন্ন/চলন্ত (walk-in/one-off customers) গ্রাহকদের (জিডি, টিটি, ১৭ অর্ডার, অফলাইন অঙ্গ, অফলাইন উল্লেখ্য ইত্যাদি) ক্ষেত্রে KYC এমিয়া অনুসরণ করা হয় কি না?	বিএফআইইউ সার্ভুলারের নির্দেশনা মোডাবেক কাগজপত্রাদি/তথ্যাদি যাচাই করণ।		১		
	৫	৩০এমিল ২০০২ অর্জিখের পূর্বে খোলা যে সকল হিসাবের কেওয়ার্টিস এমিয়া সম্পন্ন করা হয়নি সেসকল হিসাবসমূহের বর্তমান অবস্থা কী?	৩০এমিল ২০০২ অর্জিখের পূর্বে খোলা যে সকল হিসাবের কেওয়ার্টিস এমিয়া সম্পন্ন করা হয়নি সে সকল হিসাবের অলিকা সঙ্ক্রে করণ। নিশেব করে এ ধরনের হিসাবসমূহে কেওয়ার্টিস এমিয়া অসম্পন্ন রূপে ৩০শে মার্চ, ২০১০ এর পরে কোন উল্লেখ্য আছে কি না শংকৃত পরীক্ষা করণ।		১	
	৬	Wire transfer এর ক্ষেত্রে শাখা কর্তৃক KYC এমিয়া অনুসরণ করা হয় কি না?	বিএফআইইউ সার্ভুলারের নির্দেশনা মোডাবেক পরিপালিত হয়েছে কি না তা সংশ্লিষ্ট কাগজপত্রাদি/তথ্যাদি যাচাই করণ।		১	
	৮	Politically Exposed Persons (PEPs), এলাবশালী ব্যক্তি ও আন্তর্জাতিক সংস্থার গ্রহণ বা উক্ত পর্ষাদের কর্মকর্তার কোন হিসাব শাখায় সত্বেকন করা হয়েছে কি না?	বিএফআইইউ সার্ভুলারের নির্দেশনা মোডাবেক নমুনায় তিষ্ঠিতে যাচাই করণ।		০	
	৯	ক) Credit Card সুবিধা গ্রহণে বিএফআইইউ এর নির্দেশনা অনুসরণ করা হয় কি না।	Credit Card ইস্যুর ক্ষেত্রে গ্রাহক পরিচিতি সঠিকভাবে গ্রহণ ও যাচাই করা হয় কি না যাচাই করণ। Credit Card এর ঊন সীরা গ্রাহকের আয়ের সাথে সংশ্লিষ্ট কি না যাচাই করণ। শাখা কর্তৃক কেওয়ার্টিস হালনাগাদ করা হয় কি না যাচাই করণ।		১	
খ) Internet banking সুবিধা গ্রহণে বিএফআইইউ এর নির্দেশনা অনুসরণ করা হয় কি না।	Internet banking সুবিধা গ্রহণে শাখা কর্তৃক কি সত্বেকন/সত্বেকন ব্যবস্থা নেয়া হয়েছে তা যাচাই করণ এবং গ্রাহকের যুক্তি বিবেচনায় কোন অতিরিক্ত তথ্যাদি নেয়া হয়েছে কি না তা যাচাই করণ।		১			



ক্র. নং	পরিদর্শন ক্ষেত্র	বিষয়	যাচাইয়ের উপায়	মন্তব্য	মোট নম্বর	প্রাপ্ত নম্বর
		1= Non face to face customer সম্পর্কিত বিএলআইইইএর বিবেচনা অনুসরণ করা হয় কি না।	হিসাব খোলার ক্ষেত্রে গ্রাহক পরিচিতি সঠিকভাবে গ্রহণ করা হয় কি না যাচাই করণ এবং গ্রাহকের ত্রুটি বিবেচনার কী/কোন ধরনের অতিরিক্ত তথ্যাদি নেয়া হয়েছে তা যাচাই করণ।		১	
৩	লেনদেন মনিটরিং (Transaction Monitoring)	1 খাবার লেনদেন মনিটরিং (Transaction Monitoring) এর কোন কার্যকরী পদ্ধতি চালু আছে কি না?	মনিটরিং এর পদ্ধতি উন্নয়ন করণ (এছাড়াও কোন এমন সমস্যা করণ)। <ul style="list-style-type: none"> • মাসিক/ত্রৈমাসিক পদ্ধতিতে লেনদেন পরীক্ষা করা হলে তা কিভাবে করা হয় তা বিস্তারিত যাচাই করণ। • অটোমেটেড হলে সিস্টেম কোয়ালিটি রিপোর্ট সম্বন্ধপূর্বক পর্যালোচনা করণ। • বিগত সময়ের মনিটরিং এর যদি সম্বন্ধপূর্বক যাচাই করণ। 		৪	
		2 ক) গ্রাহকের পেশা ও আয়ের সাথে সংশ্লিষ্টভাবে লেনদেনের অস্বাভাবিক মাত্রা (IP) গ্রহণ করা হয় কি না?	এছাড়াও কোন অন্তত ১০টি হিসাবের শব্দ যাচাই করে দেখুন।		২	
		খ) লেনদেনের অস্বাভাবিক মাত্রা (IP) এজেন্ডার সীমা তথ্য প্রদানের করা হয়েছে কি না?	অতিরিক্ত হিসাব খোলার কারণের সাথে সংশ্লিষ্ট IP ক্রম যাচাই করণ।		১	
		গ) যৌথিত অস্বাভাবিক মাত্রার সাথে একত্র লেনদেন যাচাই করা হয় কি না?	মুদ্রিত ১০টি হিসাবের মনিটরিং পদ্ধতির শব্দ যাচাই করণ এবং এজেন্ডার ব্যাঙ্কের অটোমেটেড পদ্ধতি তে উল্লিখিত IP এর সাথে IP ক্রমে যৌথিত অস্বাভাবিক মাত্রার মিল আছে কিনা যাচাই করণ।		২	
		ঘ) হিসাব খোলার ৬ মাসের মধ্যে গ্রাহকের লেনদেন পর্যালোচনা পূর্বক IP হালনাগাদ করা হয়েছে কি না?	বিএলআইইইই সার্বস্বত্ব সোভারেন Risk Based Approach এর ভিত্তিতে মুদ্রিত ১০টি হিসাবের মিল যাচাই করণ।		১	
		৩) নির্দিষ্ট কোন এজেন্ডার অনুসৃত হলে অথবা খাবার কর্তৃক পরিমিত মনিটরিং কার্যক্রমের আওতার সময়ে সময়ে IP হালনাগাদ করা হয়েছে কিনা?	মুদ্রিত ১০টি হিসাবের মিল যাচাই করণ।		১	
		৪) খাবার পরিচালিত উচ্চ ঝুঁকিপূর্ণ হিসাবসমূহের তালিকা সত্যতা করা হয় কি না এবং উচ্চ হিসাবের লেনদেন মনিটরিং পর্যাপ্ত কি না?	উচ্চ ঝুঁকিপূর্ণ হিসাব সমূহের তালিকা সত্যতা করণ এবং বিএলআইইইই সার্বস্বত্বের বিবেচনা সোভারেন এজেন্ডারের যদি সম্বন্ধপূর্বক উচ্চ হিসাবসমূহের লেনদেন মনিটরিং পর্যাপ্ত কিনা যাচাই করণ।		৩	
		৫) ক) সন্ত্রাসে অর্থাৎ প্রতিরোধে খাবার UN Security Council resolution এর আওতার sanction list ও সন্ত্রাস বিরোধী আইন ২০১৩ এর সংশ্লিষ্ট উল্লিখিত স্থায়ী সন্ত্রাসী তালিকা সত্যতা করা হয় কি না এবং সে সোভারেন হিসাব খোলা ও লেনদেন কার্যক্রম যাচাই করা হয় কিনা?	<ul style="list-style-type: none"> • হিসাব খোলা, লেনদেন মনিটরিং এবং অস্বাভাবিক ও যৌথিত ব্যতিক্রমের ক্ষেত্রে উচ্চ তালিকা যাচাই করা হয় কি না। • এ বিষয়ে খাবার স্বয়ংক্রিয় (Automated) কোন পদ্ধতি অনুসরণ করে কি না যাচাই করণ। অন্তত ১০টি শব্দ যাচাই করে দেখুন। 		২	
		খ) False Positive এর তালিকা খাবার সত্যতা করা হয় কি না?	<ul style="list-style-type: none"> • UN sanction list ও স্থায়ী সন্ত্রাসী তালিকা যাচাই এ খাবার কর্তৃক কোন False Positive হয়েছে কিনা তা পরীক্ষা করে দেখুন। 		১	
		৬) বৈশিষ্টিক ও অস্বাভাবিক ব্যতিক্রমের অর্থাৎ লেনদেনের ক্ষেত্রে মনিটরিং ও সন্ত্রাসে অর্থাৎ প্রতিরোধে খাবার কর্তৃক কি ব্যবস্থা গ্রহণ করা হয়েছে ^{১,২}	শব্দভিত্তিক ৪/৫ জন গ্রাহকের এগারু কন্ট্রোলিং সক্রিয় গ্রাহকের অস্বাভাবিক মাত্রার হিসাবের যদি সম্বন্ধপূর্বক পিতার বিবরণি যাচাই করণ <ul style="list-style-type: none"> • Letter of Credit -এ কথিত পদের মূল আন্তর্জাতিক আদায়ের সাথে যাচাই করা হয়েছে কি না পরীক্ষা করণ। 		৫	

^১ হিসাব গ্রহণের অনুসরণে ৩(৫) ধর্মের একটি খাবার সফটওয়্যার ব্যবহার করা হবে। খাবার খাবার ক্ষেত্রে ১৫ বছরের মধ্যে এবং সন্ত্রাসে খাবার সন্ত্রাসের ক্ষেত্রে সর্বিক্রেমিক পিঠি করা হবে।



ক্র. নং	পরিদর্শন ক্ষেত্র	বিষয়	যাচাইয়ের উপায়	মন্তব্য	মোট নম্বর	প্রাপ্ত নম্বর
			<ul style="list-style-type: none"> Supplier/Beneficiary এর Credit report সনদে করে খাণ্ড কর্তৃক পর্যালোচনা করা হয়েছে কিনা যাচাই করুন। Beneficiary/Applicant এর country FATF কর্তৃক চিহ্নিত High-risk and non-cooperative jurisdictions এর অন্তর্ভুক্ত হলে EDD করা হয় কি না যাচাই করুন। Bill of Entry এর original copy পর্যালোচনা করা হয় কিনা যাচাই করুন। Shipping document Letter of Credit/Proforma invoice এর সাথে সংশ্লিষ্ট কিনা যাচাই করুন। 			
		৬) খাণ্ড বৈদেশিক রেমিটেন্স অধ্যাদেশ ইন্টারন্যাশনাল ও অটোইন্টারন্যাশনাল রেমিটেন্স সচিবালয় করে কি না?	<ul style="list-style-type: none"> ইন্টারন্যাশনাল ও অটোইন্টারন্যাশনাল রেমিটেন্স সনদের সনদের তথ্যাদি পর্যালোচনা করে যাচাই করুন। 		১	
৪	মাসিক সেলস রিপোর্ট (CTR) এবং সশ্বেদনকৃত সেলস রিপোর্ট (STR)	১) ক) মাসিক ভিত্তিতে এবং বিকল্পভাবে CTR করা হয় কিনা ?	ডেপার্টমেন্ট/বিভাগ/অফিস যাচাই করুন। সশ্বেদন করে এরপর কর্তৃক কেন্দ্রীয়ভাবে সিটিং করা হয় সে ক্ষেত্রে খাণ্ডের মাসিক ভিত্তিতে সিটিং পর্যালোচনা করা হয় কিনা যাচাই করুন।		০	
		খ) প্রতি মাসে প্রতিটি সিটিং এর কপি খাণ্ডের পর্যালোচনা করা হয় কিনা এবং উহা প্রাপ্তি পর্যালোচনা করা হয় কিনা?	<ul style="list-style-type: none"> রিপোর্টিং অফিস/অফিস পরীক্ষা করে দেখুন। বিএক্সআইইইই সার্ভিসের সনদের পর্যালোচনা করা হয় কিনা তা এসএসএসএস পথি যাচাইপূর্বক পরীক্ষা করুন। কেন্দ্রীয়ভাবে সিটিং করা হলেও খাণ্ড কর্তৃক সিটিং পর্যালোচনা করা হয় কিনা তাও যাচাই করুন। 		৬	
		গ) গ্রাহক কর্তৃক রিপোর্টিং সীমার পিছনে পুন্ড স্ট্রাকচারিং (Structuring) করার ক্ষেত্রে তা খাণ্ড করার কোন পদ্ধতি খাণ্ডের প্রতিবেদন হয়েছে কি না?	<ul style="list-style-type: none"> খাণ্ডের কাগজ রেকর্ডের পর্যালোচনা পূর্বক সনদে হিসাবসমূহ চিহ্নিতকরণের তা পর্যালোচনা করুন। এসএসএসএস পথি খাণ্ডের সেল রিপোর্ট সনদের করা হয় কিনা যাচাই করুন। 		৬	
		২) ক) খাণ্ডের সশ্বেদনকৃত সেলস (STR)/SAR চিহ্নিতকরণের কোন পদ্ধতি চালু আছে কি না ?	<ul style="list-style-type: none"> সশ্বেদনকৃত সেলস (STR) এর বিভিন্ন শ্রেণিক্রমভিত্তিক ভিত্তিতে সশ্বেদনকৃত সেলস (STR) চিহ্নিতকরণের কোন পদ্ধতি চালু আছে কিনা যাচাই করুন। 		৫	
		খ) সংশ্লিষ্ট সফল কর্মকর্তা STR/SAR নিবেদন সম্পর্কে অবহিত আছে কি না ?	খাণ্ডের কর্মকর্তাদের সশ্বেদনকৃত সেলস চিহ্নিতকরণ ও রিপোর্টকরণ সম্পর্কে পর্যালোচনা করে কিনা পরীক্ষা করুন।		২	
৫	মাসিক/ত্রৈমাসিক প্রতিবেদন বিতরণ/বিতরণ করা বিবরণী সচিব	১) খাণ্ড কর্তৃক মাসিক/ত্রৈমাসিক বিবরণী মাসিক/ত্রৈমাসিক প্রতিবেদন বিতরণ/বিতরণ করা হয় কি না ? খাণ্ড কি ব্যবস্থায় বিবরণী মাসিক করে ?	<ul style="list-style-type: none"> মাসিক ভিত্তিতে সিটিং (এক্সেসেসেস এসটিং বিবরণী), ত্রৈমাসিক ভিত্তিতে বিবরণী-২ ও ৩, এবং বাস্তবিক ভিত্তিতে সেল অ্যাকসেসেসেস বিবরণী মাসিক/ত্রৈমাসিক প্রতিবেদন বিতরণ/বিতরণ করা হয়েছে কিনা পরীক্ষা করুন। বিশেষ সচিব অথবা বিবরণী মাসিক করা না হলে থাকলে তা এসএসএসএস হলে বিবেচিত হবে। 		২	
		২) বিবরণীতে এসএসএস ও পূর্ণ কি না ?	এসএসএসএস পথি পরীক্ষা করুন। তথ্যাদি সঠিক ও পরিপূর্ণ না হলে তা এসএসএসএস হলে বিবেচিত হবে।		১	
৬	সংশ্লিষ্ট পদ্ধতি	১) সংশ্লিষ্ট পদ্ধতিতে (সেল অ্যাকসেসেসেস) খাণ্ডের সনদের চালু আছে কি না ?	বিএক্সআইইইই সার্ভিসের সাথে সংশ্লিষ্ট সনদের পূর্বক সনদের প্রতিবেদন করা হয়েছে কিনা যাচাই করে দেখুন।		১	
		২) এসএসএস সনদের প্রতিবেদন চালু করার পূর্বে খাণ্ডের সনদের সনদের পদ্ধতিতে খাণ্ডের সংশ্লিষ্ট কর্মকর্তাদের পিছনে সনদ করা হয়েছে কিনা?	পথি যাচাই করুন।		১	



ক্র. নং.	পরিদর্শন ক্ষেত্র	বিষয়	যাচাইয়ের উপায়	মন্তব্য	নেটি মধ্য	গ্রাউ মধ্য
		০ ক) দুলায়ন প্রতিবেদনে পূর্বসন্ধানের চিহ্নিত করা হয়েছে কি? খ) পূর্বে নিয়ন্ত্রিত ব্যবস্থার সাথে কর্তৃক নী পরিক্ষণ গ্রহণ করা হয়েছে এবং পরবর্তী তৈমসিক সভাগুলোতে পূর্বসন্ধান সভার একলসহিত্রি বিষয়ের অঙ্গসিক সিত্রে আসোচনা করা হয়েছে কি?	হবি যাচাই করুন।		২	
		০ খাবার সিক্স দুলায়ন যথাযথ কি না?	হবি যাচাই করুন এবং টেকনিস্টের প্রতিটি গভেষ্ট পর্বাসোচনা পূর্বক দুলায়ন করুন।		১	
৭	AML/CFT বিষয়ে কর্মকর্তাদের জ্ঞান ও সচেতনতা	১) খাবার কর্তৃক কর্মকর্তা মালি সফরিং প্রতিযোগে বিষয়ক অঙ্গুষ্ঠাসিক প্রতিক্ষা গ্রহণ করেছেন?	একপবিষয়ে খাবার সফুরি রেজর্ভ সেতু: এএনএল/সিএকটি বিবত অঙ্গুষ্ঠাসিক মাসসত,সারীত সীকিমাস ০ আইসফতুস, বিএফআইইইই কর্তৃক সারীকৃত পাইকেশ সেটস ০ সারুপার ইকাসি বিবত অঙ্গুষ্ঠাসিকরনসং এর সুরি যাবস্থাপনার কসকসেপল এবং সিরেপটিং পস্বিক সসর্ভে অঙ্গত ১(এক/সিগ যাব্তী অঙ্গুষ্ঠাসিক মালি সফরিং বিষয়ক অঙ্গুষ্ঠাসিক প্রতিক্ষা বিসেয়া হুবে।		২	
		২) এগাস সিব্রিই কর্তৃক যাবসেটিক প্রতিক্ষে এএনএল/সিএকটি বিবতক সারীকৃত সেগনার জগি সফল কর্মকর্তাকে অবহিরকরণপূর্বক খাবার সগুরকণ করা হয় কি? এবং এগাপারে খাবার কর্মকর্তাগণ যথাযথভাবে কা পরিপালন করেছেন কি?	• হবি পর্বাসোচনা করুন।		১	
		০ খাবার কর্মকর্তাগণ এএনএল/সিএকটি বিবতক সীকি, পস্বিক ০ এগেয়ে এবং সারীত সীকিমাসগরে বিএফআইইইই এর পাইকশইস সসর্ভে অবহির কি না?	• খাবার কর্মকর্তার সাথে সাকসাকসেত্রে সিকিমে দুলায়ন করুন।		১	
		০ প্রতিক্ষা সগুরত অত ০ মালিগালি যথাযথভাবে সগুরকণ করা হয় কি?	• হবি পর্বাসোচনা করুন।		১	
৮	ব্রেক সগুরকণ/ সগুরগত	১) মালি সফরিং প্রতিযোগে আইন ২০১২ (২০১০ এর সগুরগারীসং) এর যাবসেত্রে সিক্স সীকিমাস অকুগারী এগসেত্রে সেনসেনে সসর্ভিক ব্রেক সগুরগতভাবে সগুরকণ করা হয় কি? ২) এগসেত্রে KYC সহ CDD প্রতিজ্ঞা সগুরগতকসে সগুরগত অত ০ মালিগালি এবং সেনসেনে সগুরগত অত ০ মালিগালি বিএফআইইইই এর সুরি সগুরগতকসে সগুরগত করা হয় কি না?	মালি সফরিং প্রতিযোগে আইন ২০১২ (২০১০ এর সগুরগারীসং) এবং বিএফআইইইই এর সারুপার সগুরগতকসে সগুরগত সেনসেনেত্রে অগাসি (সেনে সগুরগত কসেত্রে করা, সেনসেনে বিবতগী, ব্রেক/সারীত ইকাসি) পর্বাসিক করে সেতু। একসগুরগতকসে হবি পর্বাসিক করুন। যথাযথ ০ সারীকৃতকসে অত সগুরগত না কসে কা অসগুরগতকসে সিব্রিমে হুবে।		২	
					১	
৯	নিরীক্ষা, পরিদর্শন ও অগাস	১) খাবার যাবস্থাপক BAMLCO না হলে খাবার যাবস্থাপক AML/CFT প্রেগেয়ন যাবস্থারগে যথাযথ সুরিকা পালন করে কি না? ২) সুরিগুরে খাবার পরিদর্শিক নিরীক্ষা/পরিদর্শন প্রতিবেদনে ঔপ্তিবিক অনিয়ম/দুপারিপসহুর যথাযথভাবে পরিপালিক হয়েছে কি না?	খাবার অগুরগিক সগুর অসেগুরগেট ০ খাবার যাবস্থাপকসে সাথে সাকসাকসেত্রে সিকিমে দুলায়ন করুন। সগুরগে নিরীক্ষা প্রতিবেদনে পর্বাসিক করে সেতু এবং প্রতিবেদনে সবিং অনিয়মালি সগুরগতকসে খাবার সিক্স যাবস্থ গ্রহণ করে কি না? অচাই করে সেতু। ✓ যাবসেত্রে অসগুরগতকসে নিরীক্ষা বিবত কর্তৃক সগুরগে নিরীক্ষা সিরেটি পর্বাসোচনা করুন এবং পরিপালনে অগাস অচাই করুন। ✓ অগুরগে যাবসেত্রে যাবসে পরিদর্শন বিবত কর্তৃক পরিদর্শন সগুরগতকসে সগুর হুবে এর সিরেগেটি (মালিগালি অগুরগে সিরেগেগেগে) পর্বাসোচনা করুন এবং পরিপালনে অগাস অচাই করুন। ✓ অগুরগে যাবসেত্রে সগুরগতকসে পরিদর্শন বিবত কর্তৃক নিরীক্ষা (যদি হুবে থাকে) এর সিরেগেটি পর্বাসোচনা করুন এবং পরিপালনে অগাস অচাই করুন। ✓ বিএফআইইইই এর নিরীক্ষা (যদি হুবে থাকে) এর সিরেগেটি পর্বাসোচনা করুন এবং পরিপালনে অগাস অচাই করুন।		১	৪



ক্র. নং.	পরিদর্শন ক্ষেত্র	বিষয়	যাচাইয়ের উপায়	মন্তব্য	মোট নম্বর	প্রাপ্ত নম্বর
	৩	গ্রাহক সচেতনতা সৃষ্টিকল্পে কি ব্যবস্থা গ্রহণ করা হয়েছে?	গ্রাহক সচেতনতা সৃষ্টিকল্পে শাখা কী পরিশেব কার্যক্রম গ্রহণ করেছে তা যাচাই করুন। এ ব্যাপারে গ্রাহকদের লিফলেট বিতরণ এবং শাখার কৃণমান স্থানে এ বিষয়ে পোস্টার আছে কিনা যাচাই করুন।		৩	
				সর্বমোটঃ	১০০	

শাখার মূল্যায়নঃ

ক্র.	পরিদর্শন ক্ষেত্র	বরাদ্দকৃত মোট নম্বর	প্রাপ্ত নম্বর
১	শাখা পরিপালন কর্মকর্তা মূল্যায়ন	৬	
২	গ্রাহক পরিচিতি (KYC)	২৬	
৩	সেনসেন মনিটরিং	২৩	
৪	সম্বোধনক সেনসেন এবং নগদ সেনসেন রিপোর্টিং	২২	
৫	মানিওয়াশিং প্রতিরোধ বিভাগ/ডিভিশন বরাবর বিবরণী দাবিল	৩	
৬	বিনির্ধারনী পদ্ধতি	৫	
৭	এএমএল/সিএফটি বিষয়ে কর্মকর্তা/কর্মচারীদের জ্ঞান ও সচেতনতা	৪	
৮	রেকর্ড সংরক্ষণ	৩	
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		সর্বমোটঃ	১০০
১০	১০ ⁺ -১০০	শক্তিশালী	
১১	৭০ ⁺ -৯০	সম্বোধনক	
১২	৫৫ ⁺ -৭০	মোটামুটি ভাল	
১৩	৪০ ⁺ -৫৫	হালিক	
১৪	৪০ ও এর নিচে	অসম্বোধনক	



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



					<ul style="list-style-type: none"> 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 sources	Un likely	Moderate	L1	<ul style="list-style-type: none"> Will not open any new account with the customer
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



					<ul style="list-style-type: none"> • 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 • 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)



					<ul style="list-style-type: none"> 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



					<ul style="list-style-type: none"> • 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) • 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



					<ul style="list-style-type: none"> • 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 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
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	L 1	<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	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 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	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	Customer is the subject of a Money Laundering or Financing of Terrorism investigation by the order of the court	Un likely		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



					<ul style="list-style-type: none"> • 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)



5	Large currency endorsement in Passport	Un likely	Moderate	L 1	<ul style="list-style-type: none"> Standard ID 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 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 Instalments 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



					<ul style="list-style-type: none"> • 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	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 • Produce SAR if that occurs frequently.
3	Repayment of loan EMI from source that is not clear	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
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 • 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 RFCO 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



1. 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				Check Sanctions



	with sanction bank and/ or country				
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 experiences or other factors.				Mark them as EDD and conduct appropriate Diligence
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 • 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	Un likely	Major	M2	<ul style="list-style-type: none"> • Ensure audit inspection for all branches



	BFIU on time				
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.



KYC Documentation

Customer type	Standard Identification document	Document for verification of source of funds	Document or strategy for verification of address
Individuals	<ul style="list-style-type: none"> ➤ Passport ➤ National Id Card ➤ Birth Registration Certificate (Printed copy, with seal & signature from the Registrar) ➤ Valid driving license (if any) ➤ Credit Card (if any) ➤ Any other documents that satisfy to the bank. <p>NB: But in case of submitting the birth registration certificate, any other photo id (issued by a Government department or agency) of the person has to be supplied with it. If he does not have a photo id, then a certificate of identity by any renowned people has to be submitted according to the bank's requirement. That certificate must include a photo which is duly attested by the signing renowned person. The person should sign the certificate (printing his/her name clearly underneath) and clearly indicate his/her position or capacity on it together with a contact address and phone number.</p>	<ul style="list-style-type: none"> ➤ Salary Certificate (for salaried person) ➤ Employed ID (For ascertaining level of employment). ➤ Self-declaration acceptable to the bank, (commensurate with declared occupation) ➤ Documents in support of beneficial owner's income (income of house wife, students etc.) ➤ Trade License if the customer declared to be a business person ➤ TIN (if any) ➤ Documents of property sale. (if any) ➤ Other Bank statement (if any) ➤ Document of FDR encashment (if any) ➤ Document of foreign remittance (if any fund comes from outside the country) ➤ Document of retirement benefit. ➤ Bank loan. 	<ul style="list-style-type: none"> ➤ Acknowledgement receipt of thanks letter through postal department. ➤ Proof of delivery of thanks letter through courier. ➤ Third party verification report. ➤ Physical verification report of bank official ➤ Copy of utility bill/utility card on satisfaction of the dealing officer (not beyond 3 months old). The bill should be in the name of the applicant or his/her parent's name. ➤ Residential address appearing on an official document prepared by a Government Agency
Joint Accounts	<ul style="list-style-type: none"> ➤ Passport ➤ National Id Card ➤ Birth Registration Certificate (Printed copy, with seal & signature from the Registrar) ➤ Valid driving license (if any) ➤ Credit Card (if any) ➤ Any other documents (photo) that satisfy to the bank. 	<ul style="list-style-type: none"> ➤ Salary Certificate (for salaried person). ➤ Employed ID (For ascertaining level of employment). ➤ Self-declaration acceptable to the bank. (commensurate with declared occupation) ➤ Documents in support of beneficial owner's income (income of house wife, students etc.) ➤ Trade License if the customer declared to be a business person ➤ TIN (if any) ➤ Documents of property sale. (if any) ➤ Other Bank statement (if any) ➤ Document of FDR encashment (if any) ➤ Document of foreign remittance (if any fund comes from outside the country) ➤ Document of retirement benefit. ➤ Bank loan. 	<ul style="list-style-type: none"> ➤ Acknowledgement receipt of thanks letter through postal department. ➤ Proof of delivery of thanks letter through courier. ➤ Third party verification report. ➤ Physical verification report of bank official ➤ Copy of utility bill/utility card on satisfaction of the dealing officer (not beyond 3 months old). The bill should be in the name of the applicant or his/her parent's name. ➤ Residential address appearing on an official document prepared by a Government Agency
Sole Proprietorships or Individuals doing business	<ul style="list-style-type: none"> ➤ Passport ➤ National Id Card ➤ Birth Registration Certificate (Printed copy, with seal & signature from the Registrar) ➤ Valid driving license (if any) ➤ Credit Card (if any) ➤ Rent receipt of the shop (if the shop is rental) 	<ul style="list-style-type: none"> ➤ Trade License ➤ TIN ➤ Self-declaration acceptable to the bank. (commensurate with nature and volume of business) ➤ Documents of property sale. (if injected any fund by selling personal property) ➤ Other Bank statement (if any) 	<ul style="list-style-type: none"> ➤ Acknowledgement receipt of thanks letter through postal department. ➤ Proof of delivery of thanks letter through courier. ➤ Third party verification report. ➤ Physical verification report of bank official



	<ul style="list-style-type: none"> ➤ Ownership documents of the shop (i.e purchase documents of the shop or inheritance documents) ➤ Membership certificate of any association. (Chamber of comers, market association, trade association i.e.; Hardware association, cloth merchant association, hawker's association etc. ➤ Any other documents that satisfy to the bank. 	<ul style="list-style-type: none"> ➤ Document of FDR encashment (if any fund injected by en-cashing personal FDR) ➤ Document of foreign remittance (if any fund comes from outside the country) ➤ Bank loan (if any) ➤ Personal borrowing (if any) 	<ul style="list-style-type: none"> ➤ Copy of utility bill/utility card on satisfaction of the dealing officer (not beyond 3 months old). The bill should be in the name of the applicant or his/her parent's name. ➤ Residential address appearing on an official document prepared by a Government Agency
Partnerships	<ul style="list-style-type: none"> ➤ Partnership deed/ partnership letter ➤ Registered partnership deed (if registered) ➤ Resolution of the partners, specifying operational guidelines/ instruction of the partnership account. ➤ Passport of partners ➤ National Id Card of partners ➤ Birth Registration Certificate of partners (Printed copy, with seal & signature from the Registrar) ➤ Valid driving license of partners (if any) ➤ Credit Card of partners (if any) ➤ Rent receipt of the shop (if the shop is rental) ➤ Ownership documents of the shop (i.e. purchase documents of the shop or inheritance documents) ➤ Membership certificate of any association. (Chamber of comers, market association, trade association i.e.; Hardware association, cloth merchant association, hawker's association ect. ➤ Any other documents that satisfy to the bank 	<ul style="list-style-type: none"> ➤ Trade License ➤ TIN ➤ Documents of property sale. (if injected any fund by selling personal property of a partner) ➤ Other Bank statement (if any) ➤ Document of FDR encashment (if any partner injected capital by en-cashing Personal FDR) ➤ Document of foreign remittance (if any fund comes from outside the country) ➤ Bank loan ➤ Personal Borrowing (if any) 	<ul style="list-style-type: none"> ➤ Acknowledgement receipt of thanks letter through postal department ➤ Proof of delivery of thanks letter through courier. ➤ Third party verification report. ➤ Physical verification report of bank official ➤ Copy of utility bill/utility card on satisfaction of the dealing officer (not beyond 3 months old). The bill should be in the name of the applicant or his/her parent's name. ➤ Residential address appearing on an official document prepared by a Government Agency
Private Limited Companies	<ul style="list-style-type: none"> ➤ Passport of all the directors ➤ National Id Card of all the directors. ➤ Certificate of incorporation ➤ Memorandum and Articles of Association ➤ List of directors ➤ Resolution of the board of directors to open an account and identification of those who have authority to operate the account. ➤ Power of attorney granted to its Managers, Officials or Employees to transact business on its behalf. ➤ Nature of the company's business ➤ Expected monthly turnover ➤ Identity of beneficial owners, holding 20% interest or more of having control over the company's assets and any person (or persons) on whose instructions the signatories of the account act where such persons may not be a full time employee , officer or director of the company. 	<ul style="list-style-type: none"> ➤ A copy of last available financial statements duly authenticated by competent authority ➤ Other Bank statement ➤ Trade License ➤ TIN ➤ VAT registration ➤ Bank loan 	



Public Limited Companies	<ul style="list-style-type: none"> ➤ Passport of all the directors ➤ National Id Card of all the directors ➤ Certificate of incorporation ➤ Memorandum and Articles of Association ➤ Certificate of commencement of business ➤ List of directors in form -XII ➤ Resolution of the board of directors to open an account and identification of those who have authority to operate the account. ➤ Power of attorney granted to its Managers, Officials or Employees to transact business on its behalf. ➤ Nature of the company's business ➤ Expected monthly turnover ➤ Identity of beneficial owners, holding 20% interest or more of having control over the company's assets and any person (or persons) on whose instructions the signatories of the account act where such persons may not be a full time employee, officer or director of the company. 	<ul style="list-style-type: none"> ➤ A copy of last available financial statements duly certified by a professional accountant ➤ Other Bank statement (if any) ➤ Trade License ➤ TIN ➤ Cash flow statement ➤ VAT registration ➤ Bank loan ➤ Any other genuine source 	
Government-Owned entities	<ul style="list-style-type: none"> ➤ Statue of formation of the entity ➤ Resolution of the board to open an account and identification of those who have authority to operate the account. ➤ Passport of the operator (s) ➤ National Id Card of the operator (s) 	N/A	N/A
NGO	<ul style="list-style-type: none"> ➤ National Id Card of the operator (s) ➤ Passport of the operator (s) ➤ Resolution of the board of directors to open an account and identification of those who have authority to operate the account. ➤ Documents of nature of the NGO ➤ Certificate of registration issued by competent authority ➤ Bye-laws (certified) ➤ List of Management Committee/ Directors 	<ul style="list-style-type: none"> ➤ A copy of last available financial statements duly certified by a professional accountant. ➤ Other Bank statement ➤ TIN ➤ Certificate of Grand / Aid 	
Charities or Religious Organizations	<ul style="list-style-type: none"> ➤ National Id Card of the operator (s) ➤ Passport of the operator (s) ➤ Resolution of the Executive Committee to open an account and identification of those who have authority to operate the account. ➤ Documents of nature of the 	<ul style="list-style-type: none"> ➤ A copy of last available financial statements duly certified by a professional accountant ➤ Other Bank statement ➤ Certificate of Grant / Aid/ donation ➤ Any other legal source 	



	<p>Organizations</p> <ul style="list-style-type: none"> ➤ Certificate of registration issued by competent authority (if any) ➤ Bye-laws (certified) ➤ List of Management Committee/ Directors 		
Clubs or Societies	<ul style="list-style-type: none"> ➤ National Id Card of the operator (s) ➤ Passport of the operator (s) ➤ Resolution of the Executive Committee to open an account and identification of those who have authority to operate the account. ➤ Documents of nature of the Organizations ➤ Certificate of registration issued by competent authority (if any) ➤ Bye-laws (certified) ➤ List of Management Committee/ Directors 	<ul style="list-style-type: none"> ➤ A copy of last available financial statements duly certified by a professional (if registered) ➤ Other Bank statement ➤ Certificate of Grant / Aid ➤ Subscription ➤ If unregistered declaration of authorized person/ body. 	
Trusts, Foundations or similar entities	<ul style="list-style-type: none"> ➤ National Id Card of the trustee (s) ➤ Passport of the trustee (s) ➤ Resolution of the Managing body of the Foundation/Association to open an account and identification of those who have authority to operate the account. ➤ Certified true copy of the Trust Deed ➤ Bye-laws (certified) ➤ Power of attorney allowing transaction in the account. 	<ul style="list-style-type: none"> ➤ A copy of last available financial statements duly certified by a professional (if registered) ➤ Other Bank statement ➤ Donation 	
Financial Institutions (NBFI)	<ul style="list-style-type: none"> ➤ Passport of all the directors ➤ National Id Card of all the directors ➤ Certificate of incorporation ➤ Memorandum and Articles of Association ➤ Certificate of commencement of business ➤ List of directors in form -XII ➤ Resolution of the board of directors to open an account and identification of those who have authority to operate the account. ➤ Power of attorney granted to its Managers, Officials or Employees to transact business on its behalf. ➤ Nature of the company's business ➤ Expected monthly turnover ➤ Identity of beneficial owners, holding 20% interest or more of having control over the company's assets and any person (or persons) on whose instructions the signatories of the account act where such persons may not be a full time employee , officer or director of the company. 	<ul style="list-style-type: none"> ➤ A copy of last available financial statements duly certified by a professional accountant. ➤ Other Bank statement ➤ Trade License ➤ TIN ➤ VAT registration ➤ Cash flow statement 	



Embassies	<ul style="list-style-type: none">➤ Valid Passport with visa of the authorized official➤ Clearance of the foreign ministry➤ Other relevant documents in support of opening account	N/A	
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