

# **Guidelines on Prevention of Money Laundering and Combating Terrorist Financing**

**Version-2**

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## **Document Authorization**

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## Preface

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Money laundering means the process of taking the proceeds of criminal activity and making them appear legal. It occurs in almost every country in the world, and it is a serious threat to the financial system which may lead to destruction of the country's financial market, payment mechanism, infrastructure, and endanger the country's sovereignty. Now-a-days Money Laundering (ML) and Terrorist Financing (TF) have emerged as a serious financial crime in the global economy. It has a major impact on a country's economy, its social, economic, political, cultural development and so on. Both ML/TF can weaken individual financial institutions and may pose a threat to the country's overall financial development. Prevention of money laundering and combating terrorist financing is, therefore, a key element in promoting a strong, sound, and stable financial sector.

To prevent ML and combat TF issues in a strong hand, the Government of Bangladesh has enacted "Money Laundering Prevention (Amendment) Act, 2015" and "Anti-Terrorism (Amendment) Act, 2013" (as amended from time to time). Besides, Bangladesh Financial Intelligence Unit (BFIU) has declared Money Laundering and Terrorist Financing Risk as one of the core risks of the financial institutions. In this regard, BFIU has also issued "Guidelines on Prevention of Money Laundering and Terrorist Financing" vide BFIU Circular No 28 dated May 30, 2023. In this context, Alliance Finance PLC (hereinafter referred as "AFPLC") has formulated its own policy "Guidelines on Prevention of Money Laundering and Combating Terrorist Financing" (hereinafter referred as AML/CFT Guidelines) with the approval of its Board of Directors.

Compliance is generally understood as the adherence to norms (laws, self-regulation and industry standards) as well as to internal directives. Lack of compliance bears the consequences of penalties for the company and its employees at the level of both the civil and penal courts and can result in damage of their reputation. Conversely, a good compliance program can help protect companies from expensive processes, high compensation claims and damage to their reputation. It can also improve the level of efficiency of an organization, which pays off the company in the long run.

A good compliance-

1. reduces organizational and individual risk;
2. enables less hesitance and increases confidence;
3. helps better data management for better decisions;
4. increases level of efficiencies and economies of scale;
5. helps to providing level playing field;
6. helps realizing the company's mission;
7. enhances relationships with regulators and other stakeholders;
8. reminds us that transparency is good business;
9. helps attract and retain talents and ensure employee's engagement; etc.

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To ensure proper compliance of the Guidelines, AFPLC has established a Central Compliance Unit (CCU) headed by a senior official. Besides, AFPLC has designated one senior level officer as Deputy Chief Anti Money Laundering Compliance Officer (DCAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) in the branch level. The concerned employees, management and, where necessary, the Board of Directors of AFPLC will ensure the following compliance requirements of the above enactments:

1. report to BFIU proactively and immediately on the facts of suspicious, unusual or doubtful, cash transactions (STR/SAR/CTR) likely to be related to ML/TF;
2. maintain confidentiality while sharing customer's account related information;
3. not to disclose STR/SAR/CTR related facts or other related information to anybody which are being reported to BFIU;
4. not to open or maintain any numbered or anonymous account;
5. ensure know your customer (KYC) and know your employee (KYE) while opening customer's account and appointment of employee, as the case may be;
6. apply enhanced due diligence while opening accounts of PEPs/IPs etc.;
7. customer due diligence should be exercised to the customer at the time of identification, acceptance, transaction, monitoring and reporting of STR/SAR/CTR;
8. self-assessment of the effectiveness of the AML/CFT program should be carried on half yearly basis by the BAMLCO and the results of the same to be communicated to the ICC and CCU;
9. the ICC shall carry out independent testing procedure (ITP) to check the adequacy of AML/CFT policies and conduct audit in case of major non-compliance, if any, and report to CCU for taking necessary action;
10. preserve, at least for 5(five) years from the date of account closing, all necessary documents/records on transactions, to comply with information requests from the competent authorities like BFIU and other legal authorities. In applicable cases, i.e. any account under investigation/litigation all necessary documents/records shall be kept till the matter is not resolved. However, in compliance with the provision of the Companies Act, 1994 (under subsection 5 of section 181) the same may be retained up to 12(twelve) years; and
11. shall be fully complied with Master Circular and Directives issued by BFIU and to be issued by BFIU and other prevailing and or future laws and regulations relating to AML/CFT.

Each employee of AFPLC shall have to understand and comply with the AML/CFT Guidelines and a declaration to that effect has to be obtained from them that they understand and are fully aware of the Prevention of Money Laundering and Combating Terrorist Financing.

# Index

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## Contents

<b>PREVENTION OF MONEY LAUNDERING.....</b>	<b>8</b>
CHAPTER 1: INTRODUCTION.....	8
1.1. <i>Defining money laundering</i> .....	9
1.2 <i>Purpose of money laundering</i> .....	10
1.3 <i>Stages of money laundering</i> .....	10
1.4 <i>Money laundering predicate offenses</i> .....	12
1.5 <i>Reporting organizations:</i> .....	12
1.6 <i>Scope and objective of the guidelines</i> .....	13
1.7 <i>How to combat money laundering</i> .....	13
CHAPTER 2: VULNERABILITIES OF AFPLC.....	14
CHAPTER 3: MITIGATION PROCESS - ML/TF RISK ASSESSMENT .....	15
3.1 <i>Introducing risk base approach</i> .....	15
3.2 <i>Assessing risks:</i> .....	15
3.3 <i>Risk management and mitigation</i> .....	18
3.4 <i>Risk Management framework</i> .....	18
CHAPTER 4: CUSTOMER IDENTIFICATION AND VERIFICATION .....	19
4.1 <i>Customer identification</i> .....	19
4.2 <i>Customer profiling</i> .....	20
4.3 <i>Review of KYC profile</i> .....	20
4.4 <i>Taking special care</i> .....	20
4.5 <i>Monitor inconsistent transactions with customer’s business/personal profile</i> .....	21
4.6 <i>Preserving customers records</i> .....	21
CHAPTER 5: KNOW YOUR CUSTOMER (KYC), CUSTOMER DUE DILIGENCE (CDD) AND ENHANCED DUE DILIGENCE (EDD).....	21
5.1 <i>Benefits of introducing KYC</i> .....	22
5.2 <i>KYC procedures</i> .....	22
5.3 <i>Risk categorization on the basis of KYC</i> .....	23
5.4 <i>Components of KYC</i> .....	23
5.5 <i>KYC for individual customers</i> .....	24
5.6 <i>KYC for corporate and other entities</i> .....	26
5.7 <i>KYC for corporate registered abroad</i> .....	26
5.8 <i>KYC for partnerships and other entities</i> .....	27
5.9 <i>Powers of attorney/mandates to operate accounts</i> .....	27
5.10 <i>Transaction monitoring process</i> .....	27
5.11 <i>What to do if customer due diligence (CDD) will not possible</i> .....	27
5.12 <i>Politically exposed persons (PEPs) and influential persons (IPs)</i> .....	28
5.13 <i>Enhance due diligence (EDD) in case of PEPs, IPs and other relevant customers</i> .....	28
5.14 <i>Ongoing monitoring of accounts and transactions</i> .....	30
CHAPTER 6: KNOW YOUR EMPLOYEE (KYE).....	31
CHAPTER 7: COMPLIANCE REQUIREMENT OF AFPLC AGAINST ML/TF .....	32
7.1 <i>Compliance requirement under domestic law</i> .....	32
7.2 <i>Board approved guidelines for preventing ML and combating TF</i> .....	32
7.3 <i>Appointment of CAMLCO, DCAMLCO and BAMLCO</i> .....	32
7.4 <i>Customer identification</i> .....	33

# ALLIANCE FINANCE PLC

7.5 What to do in case of PEPs and IPs while opening and/or operating account .....	33
7.6 Appointment and training .....	34
7.7 Awareness of customers regarding ML/TF .....	34
7.8 Suspicious transaction report (STR)/suspicious activity report (SAR).....	34
7.9 Cash transaction report (CTR).....	34
7.10 Procedure of self-assessment report (SAR) .....	35
7.11 Independent testing procedures (ITP) .....	36
7.12 Overall assessment report .....	36
CHAPTER 8: COMPLIANCE PROGRAM OF AFPLC AGAINST ML/TF .....	37
8.1 Formation of Central Compliance Unit (CCU).....	37
8.2 Responsibilities of the officials of AFPLC .....	38
8.3 The responsibilities of CCU members .....	39
8.4 Appointment of chief AML/CFT compliance officer (CAMLCO) .....	40
8.5 Responsibilities of CAMLCO.....	40
8.6 Responsibilities of deputy CAMLCO.....	41
8.7 Responsibilities of BAMLCO .....	41
8.8 Employee training and awareness program .....	42
8.9 Independent audit function.....	44
8.10 Internal audit .....	44
8.11 External Auditors' .....	44
CHAPTER 9: OFFENCE OF MONEY LAUNDERING AND PUNISHMENT .....	45
9.1 Offence.....	45
9.2 Punishment .....	45
CHAPTER 10: SUSPICIOUS TRANSACTION/ACTIVITY REPORT (STR/SAR) .....	48
10.1 General definition .....	48
10.2 Legal definition.....	48
10.3 Obligations of such report.....	49
10.4 Reasons for reporting of STR/SAR.....	49
10.5 Tipping off.....	52
10.6 "Safe Harbor" provision for reporting.....	52
10.7 Indicators of STR/SAR.....	52
CHAPTER 11: REPORTING CASH TRANSACTION REPORT (CTR).....	55
CHAPTER 12: RECORD KEEPING.....	56
12.1 Statutory requirement .....	56
12.2 Retrieval of records .....	56
12.3 STR /SAR/CTR and investigation records.....	57
12.4 Training records .....	57
12.5 Branch level record keeping .....	57
12.6 Sharing of record/information .....	57
CHAPTER 13: NON FACE TO FACE CUSTOMER.....	58
CHAPTER 14: STATEMENT OF COMPLIANCE .....	58
CHAPTER 15: CONFIDENTIALITY OF INFORMATION .....	58
15.1 Restriction on sharing of record/information as per Money Laundering Prevention (Amendment) Act, 2015 and Anti-Terrorism (Amendment) Act, 2013.....	59
15.2 Penalties for divulging information.....	59
<b>COMBATING THE FINANCING OF TERRORISM.....</b>	<b>60</b>
1. INTRODUCTION .....	60
2. WHAT IS TERRORIST FINANCING.....	60
3.INTERNATIONAL REQUIREMENT ON COMBATING TF AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION .....	61
4.THE LINK BETWEEN ML AND TF .....	61

# ALLIANCE FINANCE PLC

5. WHY AFPLC MUST COMBAT FINANCING OF TERRORISM .....	61
6. PURPOSE OF THE POLICY .....	62
7. POLICY STATEMENT.....	62
8. ENFORCEMENT .....	62
9. EXCEPTIONS TO THE POLICY .....	62
10. PROCEDURE .....	63
11. GENERAL PROCEDURES FOR CUSTOMER DUE DILIGENCE (CDD)/KNOW YOUR CUSTOMER (KYC).....	63
12. TRAINING AND AWARENESS OF THE EMPLOYEES.....	64
13. SELF-ASSESSMENT .....	64
14. INDEPENDENT TESTING PROCEDURES.....	64
15. MONITORING .....	64
16. RESPONSIBILITIES .....	65
17. CUSTOMER ACCEPTANCE POLICY.....	66
18. PENALTIES FOR NON-COMPLIANCE OF ANTI-TERRORISM (AMENDMENT) ACT, 2013.....	67
19. SCHEDULE OF ANTI-TERRORISM (AMENDMENT) ACT, 2013 .....	67
“Schedule-1”.....	68
“Schedule-2” .....	69
“Schedule-3” .....	69
<b>ANNEXURES.....</b>	<b>70</b>
ANNEXURE-A .....	71
ANNEXURE-B .....	73
ANNEXURE-C .....	74
ANNEXURE-D.....	75
ANNEXURE-E.....	77
ANNEXURE-F.....	80
ANNEXURE-G .....	83
ANNEXURE-H .....	87
ANNEXURE- I.....	88
RELATED WEBSITE LINK .....	92
* <a href="https://www.un.org/securitycouncil/sanctions/information">https://www.un.org/securitycouncil/sanctions/information</a> .....	92
* <a href="https://www.bfiu.org.bd/pdf/local_sanction_list_bangla.pdf">https://www.bfiu.org.bd/pdf/local_sanction_list_bangla.pdf</a> .....	92
* <a href="https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html">https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html</a> .....	92
* <a href="https://www.bb.org.bd/en/index.php/services/eservices">https://www.bb.org.bd/en/index.php/services/eservices</a> .....	92

# Prevention of Money Laundering

## Chapter 1: Introduction

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Money laundering is the generic term used to describe the process by which criminals try to disguise the original ownership and control of the proceeds of criminal conduct by making them appear legal. The processes by which criminally derived property may be laundered are extensive. Though criminal money may be successfully laundered without the assistance of the financial sector, the reality is that hundreds of billions of dollars of criminally derived money is laundered through financial institutions, every year. The nature of the services and products offered by the financial services industry carries the inherent risk of being abused by money launderers.

The act of laundering is committed in circumstances where a person is engaged in an arrangement of providing a service or product and that arrangement involves the proceeds of crime. These arrangements include a wide variety of business relationships e.g. banking, fiduciary and investment management.

The requisite degree of knowledge or suspicion will depend upon the specific offence but will usually be present where the person providing the arrangement, service, or product; knows, suspects or has reasonable grounds to suspect that the property involved in the arrangement represents the proceeds of crime. In some cases, the offence may also be committed where a person knows or suspects that the person with whom he or she is dealing is engaged in or has benefited from criminal conduct.

It happens in almost every country in the world, and a single scheme typically involves transferring money through several countries to obscure its origins and the rise of global financial markets makes money laundering easier than ever, making it possible to anonymously deposit "dirty" money in one country and then have it transferred to any other country for use.

Money laundering has a major impact on a country's economy, impeding the social, economic, political, and cultural development of societies worldwide. Both money laundering and terrorist financing can weaken individual financial institution, and they are also a threat to a country's overall financial sector reputation. Prevention of money laundering is, therefore, the key element in promoting a strong, sound, and stable financial sector.

The process of money laundering and terrorist financing (ML/TF) is very cumbersome. The money launderers always try to invent more and more complicated and sophisticated procedures by using newer technology for money laundering. To address these challenges, the global community has taken various initiatives against ML/TF.



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### **1.1. Defining money laundering**

#### International perspective

Money laundering can be defined in several ways. Most countries subscribe to the definition adopted by the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988) (Vienna Convention) and the United Nations Convention Against Transnational Organized Crime (2000) (Palermo Convention) as follows:

- i. The conversion or transfer of property, knowing that such property is derived from any offense or offenses or from an act of participation in such offense or offenses, 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 offense or offenses to evade the legal consequences of his actions;
- ii. The concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from an offense or offenses or from an act of participation in such an offense or offenses, and;
- iii. The acquisition, possession, or use of property, knowing at the time of receipt that such property was derived from an offense or offenses or from an act of participation in such offense or offenses.

#### FATF definition

The Financial Action Task Force (FATF), the recognized international body for setting standard for anti-money laundering efforts, defines money laundering as the processing of criminal proceeds to disguise their illegal origin to legitimize the ill-gotten gains of crime.

#### National legal framework

Section 2 (v) of the Money Laundering Prevention (Amendment) Act, 2015 defined ML as follows:

- i. knowingly moving, converting, or transferring proceeds of crime or property involved in an offence for the following purposes:-
  - a. concealing or disguising the illicit nature, source, location, ownership or control of the proceeds of crime; or
  - b. 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;

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- 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, instigate or counsel to commit any offences mentioned above.

### **1.2 Purpose of money laundering**

The purpose of money laundering is to cease the connections between the money and the crime from which ill money has been generated. In other words, money laundering disguises or conceals the illicit origin of money generated through criminal activities.

Launderers engaged themselves in money laundering for 4(four) main reasons:

- i. to organize and run criminal activity using financial channel to get financial benefit;
- ii. to conceal or disguise the source of their wealth to avoid prosecution.
- iii. to cover ill-gotten gains from suspicion and protect them from seizure; and
- iv. to conceal their existence or alternatively, give them a legitimate look.

### **1.3 Stages of money laundering**

The money laundering cycle includes three distinct stages as follows:

#### **1.3.1 The placement stage:**

The placement stage represents the initial entry of the "dirty cash" or proceeds of crime into the financial system. Generally, this stage serves two purposes: (a) it relieves the criminal of holding and guarding large amounts of cash; and (b) it places the money into the legitimate financial system. It is during the placement stage that money launderers are the most vulnerable to being caught. This is due to the fact that placing large amounts of money (cash) into the legitimate financial system may raise suspicions amongst officials.

The placement of the proceeds of crime can be done in a number of ways. Some common methods include:

- i. Loan repayment: Repayment of loans or credit cards with illegal proceeds;
- ii. Currency smuggling: The physical movement of illegal currency or monetary instruments over the border;
- iii. Currency exchanges: Purchasing foreign money with illegal funds through foreign currency exchanges;
- iv. Blending funds: Using legitimate cash from legal business to mix dirty funds with the day's legitimate sales receipts;
- v. Gambling: Purchase of gambling chips or placing bets on sporting events; etc.

#### **1.3.2 The layering stage:**

After placement comes the layering stage (sometimes called structuring). The layering stage is the most complex and often entails the international movement of the funds. The primary purpose of this stage is to separate the illicit money from its source. This is done by the sophisticated layering of financial transactions that obscure the audit trail and break the link with the original crime.

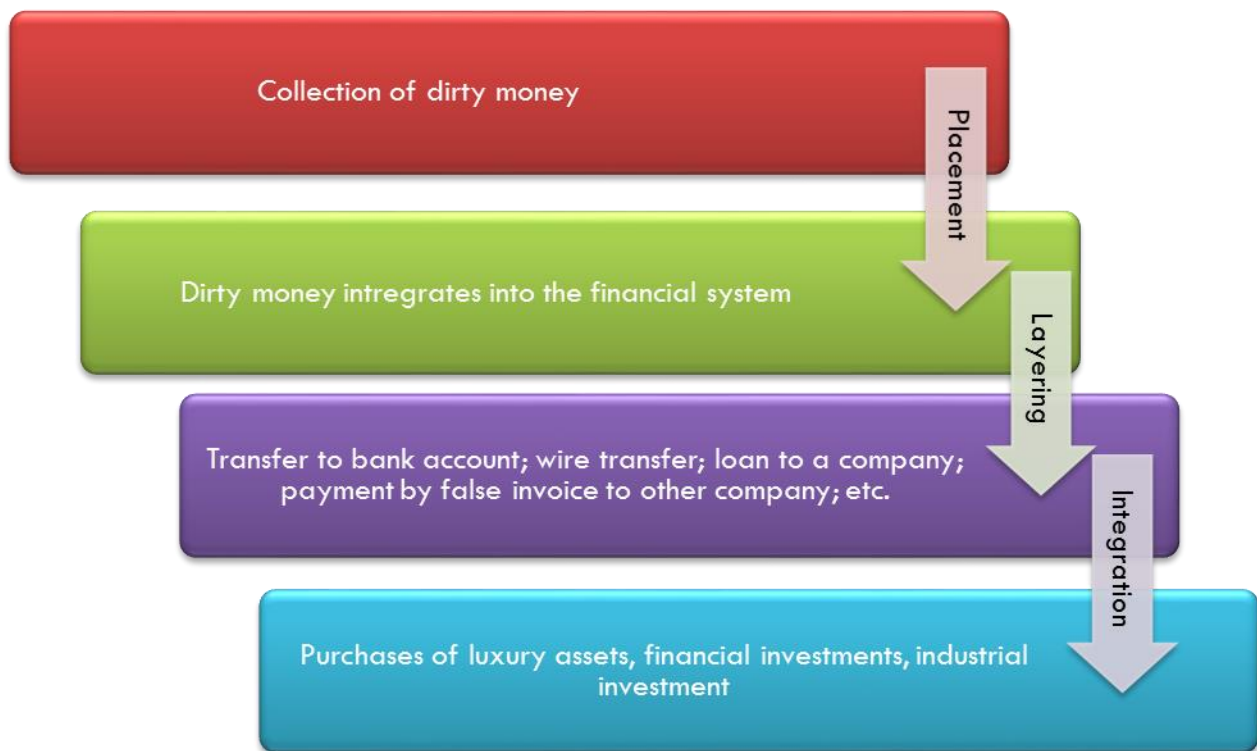
During this stage, for example, the money launderers may begin by moving funds electronically from one country to another, then divide them into investments placed in advanced financial options or overseas markets; constantly moving them to elude detection; each time, exploiting loopholes or discrepancies in legislation and taking advantage of delays in judicial or police cooperation.

1.3.3 The integration stage:

The final stage of the money laundering process is termed as the integration stage. In this stage the ill-gotten money has been reverted from the criminal sources to be legitimate sources. Having been placed initially as cash and layered through a number of financial transactions, the criminal proceeds are now fully integrated into the financial system and can be used for any purpose.

There are many different ways in which the laundered money can be integrated back with the criminal; however, the major objective at this stage is to reunite the money with the criminal in a manner that does not draw attention and appears to result from a legitimate source. For example, the purchases of property, artwork, jewelry, or high-end automobiles are common ways for the launderer to enjoy their illegal profits without drawing attention to legal authorities.

A typical money laundering scheme is illustrated below:



**Figure: Typical Money Laundering Scheme**

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

**1.4 Money laundering predicate offenses**

Money laundering predicate offense is the underlying criminal activity that generated proceeds and when laundered, results in the offense of money laundering. This includes:

- a) corruption and bribery;
- b) counterfeiting currency;
- c) counterfeiting deeds and 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 restraint and hostage taking;
- k) murder, grievous physical injury;
- l) trafficking of woman and children;
- m) black marketing;
- n) smuggling of domestic and foreign currency;
- o) theft or robbery or dacoity or piracy or hijacking of aircraft;
- p) dowry;
- q) smuggling and offences related to customs and excise duties;
- r) tax related offences;
- s) infringement of intellectual property rights;
- t) terrorism or financing in terrorist activity;
- u) adulteration or the manufacture of goods through infringement of title;
- v) offences relating to the environment;
- w) sexual exploitation;
- x) insider trading and market manipulation using price sensitive information relating to the capital market in share transactions before it is published for general information to take advantage of the market and attempting to manipulate the market for personal or institutional gain;
- y) organized crime, and participation in organized criminal groups;
- z) racketeering; and
- aa) any other offence declared as predicate offence by Bangladesh Financial Intelligence Unit (BFIU) with the approval of the Government, by notification in the Official Gazette, for the purpose of this Act.

**1.5 Reporting organizations:**

- i. Banks;
- ii. financial Institutions;
- iii. insurer;
- iv. money changer;
- v. any company or institution which remits or transfers money or money value;
- vi. any other Institution carrying out its business with the approval of Bangladesh Financial Intelligence Unit (BFIU);

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- vii. a. stock dealer and stock broker;  
b. portfolio manager and merchant banker;  
c. securities custodian;  
d. asset Manager;
- viii. a. non-profit organization;  
b. non-government organization;  
c. cooperative society;
- ix. real estate developer;
- x. dealer in precious metals or stones;
- xi. trust and company service provider;
- xii. lawyer, notary, other legal professional and accountant; and
- xiii. any other institution which BFIU may, from time to time, notify with the approval of the Government.

### **1.6 Scope and objective of the guidelines**

This policy is applicable for all sorts of transactions, products, operations and other relevant activities of AFPLC including branch/es. The Company would ensure compliance with this AML/CFT Guidelines or as prescribed by law and/or the Bangladesh Financial Intelligence Unit (BFIU) circulars, directives etc. issued from time to time whichever more exhaustive.

The objective of this policy is to ensure that AFPLC has designed and implemented processes and procedures that are consistent with regulatory guidelines and the goals and purposes of the AML/CFT Act.

The overall framework for AML/CFT regime designed in AFPLC so that the business units and other concerned will take responsibility for:

- i. verifying true identity of customers prior to provide any service;
- ii. reporting all STR/SAR/CTR to Bangladesh Financial Intelligence Unit (BFIU);
- iii. keeping appropriate records at least for 5(five) years as determined by BFIU;
- iv. providing, from time to time, information as required by BFIU and other regulatory authorities; and
- v. developing, implementing and complying with all AML/CFT related legal requirements.

### **1.7 How to combat money laundering**

Money laundering potentially devastates the economy, social security and safety. ML is a process of making crime worthwhile. It provides fuel for drug dealers, smugglers, terrorists, illegal arms dealers, corrupt public officials, and others to operate and expand their criminal initiatives. ML diminishes government tax revenue and therefore, indirectly harms honest taxpayers. It also makes government tax collection more difficult. To prevent ML, AFPLC should always pay particular attention to the fundamental principle of good business practice i.e. Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), Know Your Customer (KYC) and Know Your Employee (KYE). Having a sound knowledge of a customer's business and pattern of financial transactions and commitments are the best methods by which AFPLC and its officials will try to recognize and protect ML/TF.

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### **Chapter 2: Vulnerabilities of AFPLC**

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Money launderers may use different financial products like lease, loans, and deposit schemes etc. to launder their ill-gotten money. Possible ways of laundering mechanism of ill money through use of AFPLC's products or services are discussed as under:

Vulnerabilities of products and services

#### **a) Lease/term loan finance:**

Money launderers can use this instrument for placement and layering of their ill- gotten money. Borrowers can take lease/term loan finance from AFPLC and repay the loan from money earned through illegal sources, and thus bring illegal money enter into the formal financial system in absence of proper measures. The borrower can also repay the loan amount even before the maturity period. In the case of financial or capital lease, the asset purchased using AFPLC's finance can be sold immediately after repayment of the loan using dirty money and sold proceeds can be shown as legal.

#### **b) Factoring:**

Using its complex business mechanism, the supplier along with buyer may jointly legalize their proceeds of crime using the product. Without conducting any bona fide transaction, the supplier may get finance from AFPLC and AFPLC may get repayment from the buyer. AFPLC may unconsciously allow repayment without verifying the sources of fund which may be taken by the money launderers as an opportunity to place their ill- gotten money.

#### **c) Personal loan/car loan/home loan:**

A person can take a personal loan from AFPLC and repay it by illegally earned money; thus s/he can launder money and bring it in the formal channel. Similarly, after taking home loan or car loan, money launderers can repay those with their illegally earned money, and later by selling that home/car, they can show the proceeds as legal money.

#### **d) SME/women entrepreneur loan:**

A borrower of SME or women entrepreneurs can take loan/lease facilities from AFPLC and repay that, in some cases before maturity, with illegally earned money. They even do so only to validate their ill-gotten money even not utilizing the loan to the proposed business. This way they can bring illegal money into the financial system.

#### **e) Deposit schemes:**

AFPLC collects deposits from customers for different maturity periods but for not less than 3(three) month's tenure. Customers may take premature encashment of their deposit money with due approval from the competent authority. Thus, deposit products may be used as lucrative vehicles to place ill-gotten money in the financial system in absence of strong surveillance.

**Chapter 3: Mitigation process - ML/TF risk assessment**

**3.1 Introducing risk base approach**

The risk-based approach is an essential component of the effective implementation of the FATF Recommendations. Government, competent authorities, financial institutions, designated non-financial businesses and professions (DNFBPs) and other reporting entities are sole responsible to understand, identify, assess, and take effective action to mitigate ML/TF risks.

An integrated risk-based system depends mainly on a proper assessment of the relevant risk sectors, products, services, and customers and on the implementation of appropriate risk-focused due diligence and record-keeping. These in turn become the foundation for monitoring and compliance mechanisms that allow rigorous screening of high-risk areas and accounts. Without sufficient due diligence and risk profiling of a customer, adequate monitoring for suspicious activity would be impossible. In pursuance of the Wolfsberg Group guidelines, a risk-based monitoring system of AFPLC should:

- i. compare the customer’s account/transaction history to the customer’s specific profile information and a relevant peer group, and/or examine the customer’s account/transaction history against established ML criteria/scenarios, in order to identify patterns of suspicious activity or anomalies;
- ii. establish a process to compare customer or transaction-specific data against risk-scoring models;
- iii. be capable of recognizing patterns and of “learning” which transactions are normal for a customer, rather than designating certain transactions as unusual (for example, not all large transaction are unusual and may easily be explained); issue alerts if unusual transactions are identified;
- iv. track alerts in order to ensure they are appropriately managed within the institution and that suspicious activity is reported to the authorities as required; and
- v. maintain an audit trail for inspection by the institution's audit function and by financial institutions supervisors.

These will help in the design and implementation of this approach for mitigating ML/TF risks.

**3.2 Assessing risks:**

AFPLC is required to take appropriate steps to identify and assess ML/TF risk arising from or through customers, products or services and transactions or delivery channels and geographical presence. AFPLC should document assessment results to be able to demonstrate their basis, keep assessment result up-to-date and provide assessment result to the competent authority. The risk assessment process of AFPLC is as follows-

Risk Category on Profession/Business:

SL	Nature	Risk Level	Score
1	Jewellery/ Gold Business	High	5
2	Money Changer	High	5
3	Real Estate Agent/Promoter of Construction Project	High	5
4	Offshore Corporation	High	5
5	Art/Antique Dealer	High	5
6	Owner of Restaurant/Bar/Night Club/Residential Hotel	High	5
7	Import/Export Agent	High	5
8	Cash Financing Business	High	5

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SL	Nature	Risk Level	Score
9	Share/Stock Dealer	High	5
10	Business in different places	High	5
11	Cinema Producer/Distributor	High	5
12	Arms Business	High	5
13	Mobile Phone Operator	High	5
14	Manpower Export Business	High	5
15	Travel Agent	High	5
16	Auto Dealer (Reconditioned Car)	High	5
17	Director/Partner/Share Holder	High	5
18	Carrying Operator/Courier Service Agent	High	5
19	Insurance/Brokerage Agency	High	5
20	Religious Organization	High	5
21	Amusement Park/Organization	High	5
22	Tobacco and Cigarette business	High	5
23	Freight/Shipping/Cargo Agents	High	5
24	Land/Property Broker	High	5
25	NGO/NPO/Trust/Foundation	High	5
26	Construction Material Business	High	5
27	Motor Parts Business	Medium	4
28	Auto Business (New Car)	Medium	4
29	Corporate Customer	Medium	4
30	Computer/Mobile Phone Dealer	Medium	4
31	Software Business/IT Farm	Medium	4
32	Manufacturer (Except Arms)	Medium	4
33	Rent-a-car	Medium	4
34	Leasing/Finance Company/Bank	Medium	4
35	Shop Owner (Retail)	Low	1
36	Provident/ Gratuity Fund/WPPF	Low	1
37	Small Business	Low	1
38	Self Employed Professional	Low	1
39	Landlord/Lady	Low	1
40	Retired Person	Low	1
41	Service/Job	Low	1
42	Housewife	Low	1
43	Student	Low	1
44	Farmer/agriculturist	Low	1
45	Others- According to type, FI will fix risk rating	Low	1



Based on Net Worth:

Amount in BDT	Risk Level	Risk Rating
Up to BDT 50 Lac	Low	0
BDT 50 Lac-BDT 1 Crore	Medium	1
>BDT 1 Crore	High	3

Based on type of account opening:

Type	Risk Level	Risk Rating
Relationship Manager	Low	0
Direct Sales Agent	Medium	1
Internet/Walking/Unsolicited	High	3

How was the account Opened?

Ans.	Mode (BDT)	Risk Level	Risk Rating
<input type="checkbox"/>	Below 50 Lac	Low	0
<input type="checkbox"/>	50 Lac to 5 Crore	Medium	1
<input type="checkbox"/>	Above 5 Crore	High	3

Total Exposure of the Client:

Ans.	Mode (BDT)	Risk Level	Risk Rating
<input type="checkbox"/>	Up to 10 Lac	Low	0
<input type="checkbox"/>	Above 10 Lac but Below 50 Lac	Medium	1
<input type="checkbox"/>	Above 50 Lac	High	3

Overall Risk Assessment:

Ans.	Total Risk Rating	Risk Assessment
<input type="checkbox"/>	Equal to 14 or above	High
<input type="checkbox"/>	Below 14	Low
Total Score _____ Out of 14		

**3.3 Risk management and mitigation**

To mitigate the vulnerabilities of ML/TF risks, AFPLC require establishing policies, controls and procedures that enable to manage and mitigate the risks that have been identified in assessment process. AFPLC also requires monitoring the implementation of those controls and enforce more stringent policy, if necessary. AFPLC shall prepare and carry out its own risk assessment considering the nature of its business, customers, products or services, country or geographical location etc. in accordance with the instructions issued by the BFIU in relation to money laundering and terrorist financing. The risk assessment process shall be vetted by Bangladesh Financial Intelligent Unit and their recommendation (if any) will be treated as part of this policy.

**3.4 Risk Management framework**

A risk management framework consists of establishing the internal and external context within which the designated service is to be provided, risk identification, risk assessment or evaluation and risk treatment-mitigating, managing, control, monitoring, and periodic reviews. A risk management framework is briefly stated in a tabular form as follows:

*Stage-1: Risk identification*

Identification of main ML/TF risks	Customer
	Product
	Sector
	Delivery Method
	Country/Jurisdiction
Identification of regulatory risks	Failure to report STR/SAR/CTR
	Inappropriate customer verification
	Inappropriate record keeping
	Lack of AML/CFT program

*Stage-2: Risk assessment*

Measure the size and importance of the risk	Likelihood-Chance of the risk happening
	Impact-The amount of loss or damage on risk
	Likelihood X Impact-Level of risk (risk score)

*Stage-3: Risk treatment*

Manage business risk	Minimize and manage risks
	Apply strategies, policies and procedures
Manage regulatory risk	Put in place system and controls
	Carry out risk plan and AML/CFT program

*Stage-4: Risk monitoring and review*

Monitor and review risk plan	Develop and carry out monitoring process
	Keep necessary records
	Review risk plan and AML/CFT program
	Execution internal audit or assessment
	Preparation AML/CFT compliance report

## Chapter 4: Customer identification and verification

A meaningful anti-money laundering compliance program should include identification and verification of customers at the stage of opening an account or establishing financial transaction or relationship. Accordingly, the Company should ensure to:

- i. Collect complete and accurate information of the customer
- ii. use BFIU provided guidelines on Electronic Know your customer (e-KYC). In cases where e-KYC is not possible through electronic means, hard copy account opening form can be used.
- iii. If any person other than account holders operates the account AFPLC must ensure s/he is properly authorized. Moreover, complete and accurate information of the person to be collected
- iv. verify the identity of any person/individual concern/company (hereinafter called as “customer”) while pursuing to open an account to the extent reasonable and practicable;
- v. maintain records of the information used to verify a customer’s identity, including name, address and other identifying information; and
- vi. verify the UNSCR list, banned list of Bangladesh Government of known or suspected terrorists or terrorist organizations or other national or international sanction lists to determine whether a person pursuing to open an account appears on any such lists.
- vii. Comply with Foreign Exchange Regulation Act, 1947 while opening any account in the name of any foreigner or Non-resident Bangladeshis.

The following options are recommended for concerned officers of Head Office as well as branch/es to consider in developing customer identification process:

### 4.1 Customer identification

AFPLC should not keep anonymous or accounts in fictitious name/s. Company should undertake customer due diligence measures, including identifying and verifying the identity of their customers when:

- i. establishing business relations;
- ii. carrying out occasional transactions;
- iii. there is a suspicion of money laundering or terrorist financing; and
- iv. AFPLC has doubts about the reliability or adequacy of previously obtained customer identification data.

To fulfill identification requirements AFPLC should, where necessary, take measures to:

- i. verify the legal existence and structure of the entity by obtaining either from a public register or from the customer or both, proof of incorporation, including information concerning the customer's name, legal form, address, directors and provisions regulating the power to bind the entity, as the case may be;
- ii. verify that any person purporting to act on behalf of the customer is so authorized and identify that person;
- iii. no account should be opened without satisfactory identification, and proper introduction, where applicable. In fact before opening an account concerned officer should interview the customer to assess his need for opening an account, his business, engagement etc.;
- iv. customer's residence (permanent and present) or place of business to be carefully considered. If it is not in the area where AFPLC or branch serves, in that case opening an account at that location may need to be justified;
- v. should issue thanking letters to the customers for opening account or establishing business relations towards verification of address; and
- vi. the source of funds used to open the account shall be known and commensurate with the account opener's details.

#### **4.2 Customer profiling**

- i. obtaining and documenting the customer's basic background and information;
- ii. use that information to evaluate the appropriateness and reasonableness of the customer's transaction activity;
- iii. the customer's expected transaction trends;
- iv. net income; and
- v. determine the source of the customer's funds.

#### **4.3 Review of KYC profile**

KYC shall be reviewed on a regular interval i.e. in case of high-risk customer at least once in a year and in case of low-risk customer once in every 5 (five) years for:

- i. monitoring transactions and activities; or
- ii. renewal of an account; or
- iii. customer visited AFPLC; or
- iv. any change in introductory information of customer;
- v. periodic discussions with the customer relating to their business activities or future plan of the business; or
- vi. any other activities as deemed necessary.

#### **4.4 Taking special care**

The responsible officer of loans & advances department should monitor customer's borrowing profile in the course of business to ascertain repayments or settlement of loan or loan drawdown is in line with the customer business activities. They shall also take special care on the following cases:

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- i. on high risk customer;
- ii. in case of deposit of significant amount which inconsistent with customer profile; and
- iii. deposit of funds into company's accounts, usually in amounts below the threshold limit set by Bangladesh Financial Intelligence Unit (BFIU).

### **4.5 Monitor inconsistent transactions with customer's business/personal profile**

Responsible officer shall closely monitor the customer's account in case:

- i. where they make payments in cash rather than using banking channel;
- ii. operate retail business but made substantial payments against loan which indicates that the customer may have another undisclosed source of income; and
- iii. deposit of large volume of cash which does not match with the customer's business profile.

### **4.6 Preserving customers records**

AFPLC should preserve all necessary records of transactions as per Bangladesh Financial Intelligence Unit (BFIU) circular in force, to enable them to supply information as desired by the competent authorities. Such records must be sufficient to permit construction of individual transactions to provide, if necessary, evidence for prosecution for criminal behavior. They also should keep records on customer identification e.g. copies or records of official identification documents like NID, passport copy, identity card, driving license or any other documents acceptable to the Company, account files and business correspondence for a minimum of 5 (five) years even after the account is closed as advised BFIU. These documents should be available to domestic competent authorities in the context of relevant criminal prosecutions and investigations. However, documents of accounts under investigation or litigation shall be kept till the issue is resolved.

## **Chapter 5: Know your customer (KYC), customer due diligence (CDD) and enhanced due diligence (EDD)**

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Generally, Know Your Customer (KYC) policy is implementing to confirm a customer's identification program. The term is also used to refer to the regulation which governs these activities. KYC is mostly used in financial institutions and other reporting authorities as defined by the regulators. They use KYC to identify customers and ascertain relevant information in doing business/relationship with them. In wider terms, KYC processes are also employed by companies of all sizes for the purpose of ensuring AML/CFT compliances. KYC policies are becoming much more important globally to protect financial fraud, money laundering, terrorist financing etc.

AFPLC should never establish a relationship with a customer until it knows the customer's true identity. If a potential customer is unwilling to provide necessary information and documents, the relationship should not be established.

AFPLC can also complete KYC using modern technology as per the guidelines on Electronic Know Your Customer (e-KYC) provided by BFIU.

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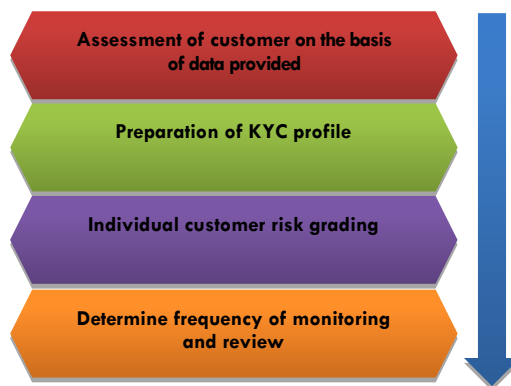
### 5.1 Benefits of introducing KYC

KYC-

- i. helps detect suspicious activity in a timely manner;
- ii. promotes compliance with all relevant laws;
- iii. promotes safe and sound financial transactions and best business practices;
- iv. minimizes the risk that the Company may encounter for illicit activities;
- v. reduces the risk of government seizure and forfeiture of a customer's loan collateral when they are involved in criminal activities or ML/TF issues, and
- vi. protects Company's reputational risk.

### 5.2 KYC procedures

- i. Before opening an account, due diligence is required to be performed on all prospective customers. This process should be completed by fulfilling the documentation requirements (duly filled in application form, references, source of funds, applicable identities etc.) with a Know Your Customer (KYC) profile which is used to record a customer's source of fund, expected transaction activity at its most basic level.
- ii. Once the identification procedures are completed and relationship with the customer is established, AFPLC should monitor behavior of the customers to ensure that it is consistent with the nature of business as was stated while establishing relationship/opened account. Concerned officer will be responsible for reporting suspicious transactions undertaken by the customer, review & updating customer's KYC profile for any significant changes in their lifestyle (e.g., change of employment status, increase in net worth etc.) and by monitoring the transaction activity over the customer's account on a periodic basis.
- iii. KYC profile must contain the basic information about the customer like name, address, tel/cell/fax numbers, e-mail address, line of business/profession, and other relevant information. If the customer is a PEPs/IPs, the account is to be taken special care and requisite EDD should be done.
- iv. The KYC profile information will also include the observations of the concerned officer of Head Office or branch/es regarding business premises (whether rented or owned), type of customer's business, method of transaction preferred by the customer (whether in cheque or cash). The concerned officer will record those observations and put signature on the KYC form.
- v. The KYC profile leads to risk classification of the accounts as high/low risk.



**Figure: KYC Flowchart**

### 5.3 Risk categorization on the basis of KYC

While opening accounts, the concerned officer must assess the inherent risks that the accounts might carry relating to “Money Laundering” and must classify the accounts as either ‘High Risk’ or ‘Low Risk’. The risk assessment may be made using the Risk Grading Matrix given at “**Annexure-A**” by which risk shall be categorized using numeric scale to denote risks.

### 5.4 Components of KYC

KYC should be the core feature of AFPLC’s risk management and control procedure and be complemented by regular compliance reviews and audit. As instructed by BFIU, AFPLC shall apply Electronic Know Your Customer (e-KYC).

Essential elements should start from the risk management and control procedures and should include:

- a. customer acceptance policy;
- b. customer identification;
- c. ongoing monitoring of high-risk accounts; and
- d. identification of suspicious transactions.

#### 5.4.1 Customer acceptance policy

Selection of customer is an important factor for Banks and NBFIs. AFPLC takes into consideration of all the relevant factors in case of opening/operating customer’s accounts such as customer’s background, business/personal activities, business risks, credit worthiness, political influence, social status, other basic information, and other risk factors.

On the other hand, to prevent ML/TF risks KYC, CDD, EDD, KYE are the important tools. Lack of precaution in the above-mentioned factors might result in serious customer and counterparty risks, especially reputation, operational, legal and compliance risks. Collection of sufficient information about the customer is the most effective defense for combating ML/TF activities. As per the Money Laundering Prevention (Amendment) Act, 2015 each FI is required to keep satisfactory records of the customers. On the other hand, each FI is also required to make necessary arrangements to prevent transactions related to crimes as described in Anti-Terrorism (Amendment) Act, 2013. It also requires identifying, under these laws, suspicious transactions/activity with due care and diligence. Pursuant to the above legal bindings, Guidance Notes issued by Bangladesh Financial Intelligence Unit (BFIU) on AML/CFT and Global standards, AFPLC has developed a Customer Acceptance Policy as stated at “**Annexure-I**”. However, AFPLC will follow Bangladesh Financial Intelligence Unit (BFIU) issues guidelines in this regard time to time.

#### 5.4.2 Monitoring of high-risk accounts and identification of suspicious transactions

High value single transactions conducted in a single DD, PO, TT and Electronic Transfer by any person or institution involved in a financial transaction may pose reputational and other risks to AFPLC. In this case if a transaction appears abnormal in relation to the usual transaction of the concerned person or institution that transaction will be treated as high value and suspicious transaction.

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### 5.4.2 What does customer mean

As per Section – 2(j) of Money Laundering Prevention (Amendment) Act, "Customer" means any person or persons or entity or entities that may be defined by Bangladesh Financial Intelligence Unit (BFIU) from time to time.

For the purpose of KYC procedure, a "Customer" means as per Master Circular#28, dated May 30, 2023:

- i. any person or institution maintaining an account of any type with AFPLC;
- ii. the person or institution as true beneficial owner in whose favor the account is operated; and
- iii. the trustee, intermediary or true beneficial owner of the transaction of the accounts operated by the trust and professional intermediaries (such as lawyer/law firm, chartered accountant, etc.) under the existing legal infrastructure.
- iv. Person or entity who transact significant amount occasionally which may impact the reputation/image/goodwill as well as increases risk for AFPLC. In such, cases CDD to be conducted for the settlor, trustee, protector or any person with similar status or any beneficiary.
- v. Any individual or entity defined by BIFU time to time.

### 5.4.3 What constitutes a customer's identity:

Identity generally means a set of attributes which uniquely defines a natural or legal person. There are two main constituents of a person's identity out of a range of legal persons (an individual, corporate body, partnership, etc.). For the purposes of this guidance, the two constituents are:

- i. the physical identity (e.g. birth certificate, TIN/VAT registration, passport/NID, driving license etc.); and
- ii. the activity undertaken.

Confirmation of a person's address is also useful in determining whether a customer is resident in a high-risk country. Information of both residential and nationality status of a customer are also necessary tools of identity. It needs to confirm and update information about identity, such as changes of address, and the extent of additional KYC information to be collected over time will differ from sector to sector and between institutions within any sector.

## **5.5 KYC for individual customers**

AFPLC shall obtain the following information while opening accounts or establishing other relationships with individual customers:

- i. correct name and/or names used;
- ii. parent's names;
- iii. date of birth;
- iv. current and permanent address;
- v. details of occupation/employment and sources of wealth or income; and
- vi. contact information, such as – mobile/telephone number etc.

It is notable that Unique Customer Identification Code (UCIC) to be allocated for each account holder, regardless of the number of accounts maintained in the name of the said account holder.



The following points should always be borne in mind by a responsible officer while opening an account or making financial transaction with any prospective customer:

- i. AFPLC shall determine the actual Beneficial Owner of each account in line with the guidelines issued by BFIU and preserve the information of that actual beneficial owner;
- ii. If any person is authorized to operate account with AFPLC on behalf of actual beneficial owner, then detailed and accurate information of that authorized person is to be collected;
- iii. In case of company account, information of the beneficial owners who have controlling interest in the company is to be preserved;
- iv. In applicable cases, detailed and accurate information of Managing Director/Chief Executive Officer of the company is to be preserved;
- v. AFPLC shall not allow any non-face to face contact;
- vi. particular care should be taken in accepting documents/identities which are easily be made false or duplicate;
- vii. in respect of joint accounts where the surname and/or address of the account holders differ,
- viii. the name and address of all account holders should be verified;
- ix. any subsequent change of the customer's name, address, or employment details of which the AFPLC becomes aware should be recorded as part of the KYC process for review customer's profile;
- x. all documents collected for establishing relationship must be filled in with supporting evidences;
- xi. details of the introducer should be recorded on the customer's file. However, personal introductions without full verification should not become the norm, and directors/senior managers must not require or request staff to breach account opening procedures as a favor to an applicant;
- xii. in the case of socially or financially disadvantaged people such as the elderly, the disabled, students and minors, the identity of these persons can be verified from an original or certified copy of alternative document, preferably one with a photograph. Certificate or confirmation from lawyer, accountant, director or manager of a regulatory or regulated institution, a notary public, a member of the judiciary or a senior civil servant may be acceptable to AFPLC in this behalf. The Certifier must sign on the copied document and clearly indicate his position or capacity on it with a contact address and phone number;
- xiii. the normal identification procedures set out above should be followed. Moreover, in case of minor parents/legal guardians KYC procedure must be followed;
- xiv. documents of identity which do not bear photographs or signatures are not acceptable. More importantly, checking of authenticity of the documents is a must;
- xv. to verify the customer's permanent and present address passport/NID and recent utility bill's copy can be checked; and last but not least;
- xvi. the original copy of (i) current valid passport; (ii) valid driving license; (iii) NID; (iv) employer provided ID card, bearing the photograph and signature of the applicant should be used to verify identify the customer and certified copies of the same should be procured and preserved for record.

### **5.6 KYC for corporate and other entities**

The principal requirement for the corporate bodies is to verify its legal existence and find out person behind the entity to identify who are controlling business and the company's assets, with particular attention being paid to any shareholders or others who exercise a significant influence over the day-to-day affairs of the company. Enquiries should be made to confirm that the company exists for a legitimate trading or economic purpose. The following documents should be obtained from companies;

- i. certificate of incorporation or duly certified by RJSC, address of the registered office, and place of business;
- ii. certified copy of Memorandum and Articles of Association, or by-laws of the customer;
- iii. copy of the board resolution to open account/maintain relationship with delegation of authority/ies to operate accounts;
- iv. explanation of the nature of the applicant's business, the source of funds, and a copy of the last available financial statements, where applicable;
- v. satisfactory evidence of the identity of each of the principal beneficial owners being any person holding 20.00% interest or more or with principal control over the company's assets and any person/s on whose instructions the signatories on the account are to act or may act where such persons are not full time employees, officers or directors of the company;
- vi. satisfactory evidence of the identity of the account signatories, details of their relationship with the company and if they are not employees an explanation of the relationship. Subsequent changes to signatories must be verified;
- vii. copies of the Schedule X and Form XII; and
- viii. any other relevant documents require establishing relationship/financial transaction.

Where the business relationship is being opened in a different name from that of the applicant, the institution should also satisfy itself that the reason for using the second name makes sense.

The following persons (i.e. individuals or legal entities) must also be identified for the above case:

- i. all of the directors who will be responsible for operation of the account;
- ii. all the authorized signatories for the account/transaction;
- iii. all the holders of powers of attorney to operate the account/transaction;
- iv. the beneficial owner(s) of the company, where applicable; etc.

Where the institution already knows their identities and identification records comply with the requirements of these notes, there is no need to verify identity again. When authorized signatories change, the identities of all current signatories should be taken for verification.

### **5.7 KYC for corporate registered abroad**

Particular care should be exercised when establishing business relationships with companies incorporated or registered abroad, or companies with no direct business link to Bangladesh. Such companies may be attempting to use geographic or legal complication to interpose a layer of opacity between the source of funds and their final destination. In such circumstances, institutions should carry out effective checks on the source of funds and the nature of the activity to be undertaken during the proposed business relationship. This is particularly important if the corporate body is registered or has known links to countries without anti-money laundering legislation and procedures equivalent to Bangladesh.

### **5.8 KYC for partnerships and other entities**

In the case of partnerships and businesses of other entities whose partners/directors are not known to AFPLC, the identity of all the partners or equivalent should be verified in line with the requirements for individual customers. Where a formal partnership agreement exists, a resolution from the partnership authorizing the opening of an account and conferring authority on those who will operate it should be obtained.

### **5.9 Powers of attorney/mandates to operate accounts**

Confirm the identities of holder of power of attorney/mandate or the guarantor of any customer's account and must be supported with the resolution or valid deed. The records of all transactions undertaken in accordance with a power of attorney/mandate should be done with due care and records should be kept safely.

### **5.10 Transaction monitoring process**

The nature of this monitoring will depend on the nature of the customer's business. The purpose of monitoring a customer's business is to identify any significant changes or inconsistencies in the pattern of transactions.

Possible areas to monitor could be:

- i. transaction type;
- ii. frequency of transaction;
- iii. unusual large transaction;
- iv. geographical origin/destination of transaction;
- v. changes in authorized signatories;
- vi. borrower settling "problem" loans by large amounts of cash suddenly with no reasonable explanation of funds/source; etc.

### **5.11 What to do if customer due diligence (CDD) will not possible**

In case where CDD cannot be done due to non-cooperation by the customer and/or if the information provided is found uncertain/suspicious after assessment, AFPLC may take the following actions:

- i. AFPLC shall not open account of such customer or may close existing account, if appropriate; and
- ii. before closure of such accounts, approval from top management is necessary and the account holder shall be informed via notice detailing the reason behind such closure of account.
- iii. BAMLCO shall forward the necessary information of such accounts to Central Compliance Unit (CCU).
- iv. Central Compliance Unit (CCU) may report STR to BFIU, if there is reasonable ground to do so.

STR/SAR may be proceeded to Bangladesh Financial Intelligence Unit (BFIU) when there is a reasonable ground to do so.

A standard KYC format has been attached at "**Annexure-A**" with the guidelines which have been prepared based on template provided by BFIU towards introduction of Uniform Account Opening Form for FIs.

## **5.12 Politically exposed persons (PEPs) and influential persons (IPs)**

### **5.12.1 Who are PEPs**

As per Master Circular#28, dated May 30, 2023 issued by Bangladesh Financial Intelligence Unit (BFIU) PEPs means: Individuals who are or have been entrusted with prominent public functions by a foreign country- i.e. (i) heads of state or of government (ii) senior politicians (iii) senior government (iv) judicial or military officials (v) senior executives of state owned corporations and (vi) important political party officials. No middle ranking or junior individuals shall be deemed as “PEPs” as quoted in this paragraph.

### **5.12.2 Who are IPs**

As per Master Circular#28, dated May 30, 2023 issued by Bangladesh Financial Intelligence Unit (BFIU) IPs means: Individuals who are or have been entrusted domestically with prominent public functions - i.e. (i) heads of state or of government (ii) senior politicians (iii) senior government officials (iv) judicial or military officials (v) senior executives of state-owned corporations and (vi) important political party officials.

## **5.13 Enhance due diligence (EDD) in case of PEPs, IPs and other relevant customers**

### **5.13.1 Responsibilities in case of “politically exposed persons (PEPs)”:**

While opening and/or operating accounts of Politically Exposed Persons (PEPs), enhanced due diligence shall have to be exercised. Following instructions shall have to be followed to ensure Enhanced Due Diligence (EDD):

- i. Additional information is to be obtained from independent and reliable source;
- ii. Further steps to be taken to identify the purpose of opening account;
- iii. In applicable cases, the approval of Chief Anti-Money Laundering Compliance Officer (CAMLCO) has to be obtained before opening such account;
- iv. take reasonable measures to establish the source of wealth and source of funds;
- v. ongoing monitoring of the transactions has to be conducted; and
- vi. the Account Opening Officer should observe all formalities as detailed in Foreign Exchange Regulation Act-1947 (as amended in 2015) while opening accounts of non-residents.

In the case where assessed risk is low simple CDD will be sufficient; but in case of high-risk EDD shall have to apply in relationship to the PEPs. Bangladesh Financial Intelligence Unit (BFIU) through Master Circular#28, dated May 30, 2023 clearly instructed to do EDD in case of PEPs.

All instructions as detailed for PEPs shall equally apply if business relationship is established with the family members and close associates of these persons who may pose reputational risk to AFPLC.

**The following instructions shall have to be followed to ensure Enhanced Due Diligence, while opening and operating the account of Politically Exposed Persons (PEPs):**

- i. a risk management system shall have to be introduced to identify the true beneficiary of such account and identify the risks associated with the opening and operating accounts of PEPs;
- ii. obtain approval of Chief Anti-Money Laundering Compliance Officer (CAMLCO) for establishing business relationships with such customers;
- iii. Same procedure is to be conducted in case of opening and operating accounts of close associates of PEPs;
- iv. take reasonable measures to establish the source of wealth and source of funds;
- v. ongoing monitoring of the transactions have to be conducted;
- vi. AFPLC should observe all formalities as detailed in Foreign Exchange Regulation Act-1947 while opening accounts of non-residents, if any.

The above instructions shall also be applicable to customers or beneficial owners who become PEPs after a business relationship have been established.

Apart from that, 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.

**5.13.2 Responsibilities in case of "influential persons (IPs)":**

AFPLC should identify the true underlying beneficiaries of the account and/or customer. While opening and/or operating or maintaining financial relationships with such persons, concerned employees should follow the instructions as cited from point 'ii' to 'iv' at para 5.13.1. Instructions appropriate for Influential persons shall also be applicable for close associates.

**5.13.3 Responsibilities in case of head of any international organization or high level officers:**

AFPLC have to identify whether the account and/or customer is truly benefiting the head of any international organization or any high level officers.

If establishing and maintaining banking relationship with such personnel is deemed risky, AFPLC have to follow the instructions as cited from point 'ii' to 'iv' at para 5.13.1 and instructions as at 'v' should also be followed in appropriate cases. Instructions appropriate for the head of any international organization or any high-level officer shall also be applicable for his/her close associates.

"Head of International Organization or High-Level Officers" shall mean persons who are or have been entrusted with a prominent function by an international organization and shall include members of senior management, i.e. directors, deputy directors and members of the board or equivalent functions.

Instructions as appropriate for "Head of International Organization or High-Level Officers" are also applicable for their close associates.

No middle ranking or junior individuals shall be deemed as "Head of International Organization or High-Level Officers" as quoted in this paragraph.

#### 5.13.4 What to do in case of non-face-to-face customer

Sometimes, AFPLC is required to open accounts on behalf of customers who do not present themselves for personal interview i.e. no face-to-face contact with the customer. In a such situation collection of photographic and other related documents will not be an appropriate procedure. The following steps need to be taken under such circumstances:

- i. apply Enhanced Due Diligence (EDD) or Enhanced Customer Due Diligence (Enhanced CDD);
- ii. apply extensive customer identification procedures for non-face-to-face customers;
- iii. shall not allow non-face-to-face contact to a resident in establishing relationship;
- iv. original current passport or ID card shall be verified and certified true copy thereon shall be obtained and preserved;
- v. ensure that there is sufficient evidence to confirm address and personal identity. The concerned employee shall take at least one additional check to safeguard against impersonation.
- vi. ask additional documents to complement those which are required for face-to-face customers;
- vii. independent contact with such customer;
- viii. third party introduction, where necessary;
- ix. update customer's information more frequently than face-to-face customers; and
- x. in extreme cases, refusal of business relationship for high-risk customers with the approval of the CAMLCO.

The above should apply to all new as well as existing customers based on materiality and risk, and accordingly due diligence should be conducted on the existing customers based on appropriate judgment.

#### 5.13.5 What to do in case of adoption/development of new service or Technology

Effective internal control system may reduce the risk if relationship managers understand normal Adoption/development of any new technology-based services or procedures shall identify, quantify and address the risks arising from such services or procedures in the context of money laundering and terrorism mitigation in the development of existing services or procedures. It should be noted that the procedures discussed must be adopted before implementing newly developed services or procedures.

### **5.14 Ongoing monitoring of accounts and transactions**

Effective internal control system may reduce the risk if relationship managers understand normal and reasonable account activity of their customers so that they have a means of identifying transactions which fall outside the regular pattern of an account's activity. Without such knowledge, they are likely to fail in their duty to report suspicious transactions to the appropriate authorities in cases where they are required to do so. The extent of the monitoring needs to be risk-sensitive. For all accounts, we must ensure proper systems in place to detect unusual or suspicious patterns of activity. Particular attention should be paid to transactions that exceed these limits. Certain types of transactions should

## **ALLIANCE FINANCE PLC**

alert management to the possibility that the customer is conducting unusual or suspicious activities. They may include transactions that do not appear to make economic or commercial sense, or that involve large amounts of cash deposits that are not consistent with the normal and expected transactions of the customer. Very high account turnover, inconsistent with the size of the balance, may indicate that funds are being “washed” through the account.

There should be intensified monitoring of higher risk accounts. AFPLC should set key indicators for such accounts, taking note of the background of the customer, such as the country of origin and source of funds, the type of transactions involved, and other risk factors.

To ensure that records remain up-to-date and relevant, there is a need for AFPLC to undertake regular reviews of existing records. An appropriate time to do so is when a transaction of significance takes place, when customer documentation standards change substantially, or when there is a material change in the way that the account is operated.

However, if AFPLC becomes aware at any time that it lacks sufficient information about an existing customer, it should take steps to ensure that all relevant information is obtained as quickly as possible.

AFPLC has developed clear standards on what records must be kept for customer identification and individual transactions and their retention period. As the starting point and natural follow-up of the identification process, AFPLC should obtain customer identification papers and retain copies of them for at least 5(five) years after an account is closed if the account is not under investigation/litigation. In such cases the documents should be kept till the issue is resolved.

### **Chapter 6: Know your employee (KYE)**

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Know Your Employee (KYE) program means the process to understand an employee’s background, conflicts of interest and susceptibility to money laundering complicity. For appropriate management of KYE policies, procedures, internal controls, job description, code of conduct/ethics, levels of authority, compliance with personnel laws and regulations, accountability, dual control, and other deterrents should be firmly in place.

HR department is to ensure the compliance of proper KYE procedure, background screening of prospective and current employees including criminal history. Only obtaining the related documents is not enough to ensure this compliance; authenticity of the documents must be ensured at the time of appointment of the employee(s).

## **Chapter 7: Compliance requirement of AFPLC against ML/TF**

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The compliance requirements of FIs have been specified in Master Circular#28, dated May 30, 2023 by Bangladesh Financial Intelligence Unit (BFIU). In this regard, Money Laundering Prevention (Amendment) Act, 2015 and Anti-Terrorism (Amendment) Act, 2013 and to be amended from time to time should also be followed meticulously. The compliance requirement shall be documented and communicated to all levels of the employees of AFPLC to develop awareness against ML/TF and to prevent ML and combat TF. As part of its AML/CFT policy, CCU with assistance of the top management shall communicate clearly to all employees on an annual basis through a statement from the Chief Executive Officer stating AFPLC's position against ML/TF and criminal activities.

### **A. Domestic requirement**

#### **7.1 Compliance requirement under domestic law**

According to section 25(1) of Money Laundering Prevention (Amendment) Act, 2015 the responsibilities and other obligations prescribed by law of AFPLC in prevention of money laundering are:-

- a) to maintain complete and correct information with regard to the identity of its customers during the operation of their accounts;
- b) if any account of a customer is closed, to preserve account and previous records of transactions of such account for at least 5(five) years from the date of such closure;
- c) to provide with the information maintained under clauses (a) and (b) to Bangladesh Financial Intelligence Unit (BFIU) from time to time, on its demand;
- d) if there be any doubtful transaction or attempt of such transaction as defined under clause (n) of section 2 of Money Laundering Prevention (Amendment) Act, 2015 the matter shall be reported as "suspicious transaction report" to the BFIU immediately.

#### **7.2 Board approved guidelines for preventing ML and combating TF**

In pursuance of section 16(2) of Anti-Terrorism (Amendment) Act, 2013, and Bangladesh Financial Intelligence Unit (BFIU)'s Master Circular#28, dated May 30, 2023, all FIs must have their own policy manual duly approved by their Board of Directors/topmost committee to prevent ML and combat TF. This policy manual must be in conformity with international standard and laws and regulations in force in Bangladesh and circulars issued by BFIU from time to time. The guidelines shall be circulated among all the concerned employees for information and necessary action to prevent ML and combat TF. FIs shall from time-to-time review and confirm meticulous compliance of the circulars issued by BFIU or Government through official gazette.

#### **7.3 Appointment of CAMLCO, DCAMLCO and BAMLCO**

To implement the policy manual and compliance of instructions of Bangladesh Financial Intelligence Unit (BFIU), AFPLC should:

- i. designate one high level officer as Chief Anti-Money Laundering Compliance Officer (CAMLCO) and a senior level officer as DCAMLCO in the Central Compliance Unit (CCU); and the detailed information of CAMLCO and DCAMLCO are to be forwarded to BFIU at the month of January of each year attaching enclosure (Annexure-H).



## **ALLIANCE FINANCE PLC**

- ii. designate one officer as Branch Anti-Money Laundering Compliance Officer (BAMLCO) at branch level.

### **7.4 Customer identification**

AFPLC should mandatorily collect complete information and identification of customers and verify their correctness to keep themselves free from ML/TF risks. As per BFIU Master Circular#28, dated May 30, 2023, a customer is defined as:

- i. any person or institution maintaining an account of any type with a FIs or having business relationship with FIs;
- ii. the person or institution as true beneficial owner in whose favor the account is operated;
- iii. the trustee, intermediary or true beneficial owner of the transaction of the accounts operated by the trust and professional intermediaries (such as lawyer/law firm, chartered accountant, etc.) under the existing legal infrastructure;

#### **7.4.1 Other measures**

The following measures also to be taken under compliance requirement against ML/TF:

- a) how to conduct CDD/EDD at different stages like- while establishing relationship with the customer or conducting financial transaction with the existing customer;
- b) to be sure about the customer's identity through collection of adequate information towards satisfaction of the concerned employee i.e. doing CDD;
- c) to be satisfied while operating any account by a person on behalf of the customer that the person has due authorization to operate the account and, in this case, correct and complete information of the person must be collected before opening/operating such account or transaction;
- d) legal status and accuracy of information of the account's operator/s are shall be ascertained while any account is to operate by trustee and professional intermediaries i.e. lawyers/law firm, chartered accountants, etc.;
- e) enhanced due diligence (EDD) shall have to be ensured with a person of the countries and territories that do not meet international standard in preventing ML/TF i.e. countries and territories listed as high risk country in FATF's public statements while establishing and maintaining business relationship and conducting financial transaction;
- f) in case of beneficial owner (i.e. the customer has controlling share of a company or/and holds 20.00% or more shares of a company) of an account, AFPLC shall have to collect and ensure:
  - i. complete and correct information of identity of the persons besides the customer;
  - ii. controller or the owner of the customer; and
  - iii. complete and correct information of identity of the beneficial owners shall have to be collected and preserved.

### **7.5 What to do in case of PEPs and IPs while opening and/or operating account**

While opening and/or operating an account or at the time of financial transaction of PEPs/IPs, EDD shall have to be exercised. Following instructions shall have to be followed to ensure EDD:

- i. AFPLC shall identify risks associated for opening and operating such accounts of PEPs/IPs;
- ii. take reasonable measures to ensure source of wealth and source of funds;
- iii. ongoing transactions monitoring process shall have to be done by the concerned officer; and

## **ALLIANCE FINANCE PLC**

- iv. all formalities shall have to be complied as per Foreign Exchange Regulation Act-1947 (as amended in 2015) while opening and operating accounts of non-resident PEPs/IPs;
- v. KYC shall be reviewed on a regular interval basis or at least once a year etc.

All instructions as detailed for PEPs/IPs shall be equally applicable if a business relationship is established with family members and close associates of these persons who may pose reputational risk to AFPLC. The above instructions shall also be applicable to customers or beneficial owners who become PEPs/IPs after business relationships have been established.

### **7.6 Appointment and training**

#### **7.6.1 Employee screening**

To prevent ML and combat TF, AFPLC shall have to undertake proper screening mechanism in appointment procedures to avoid ML/TF risks.

#### **7.6.2 Training for CAMLCO, DCAMLCO & Employee**

To ensure compliance with ML/TF related issues, AFPLC shall arrange suitable in-house or outdoor training program for all officials including CAMLCO and DCAMLCO. In this connection, all supporting documents including training materials are to be preserved.

### **7.7 Awareness of customers regarding ML/TF**

At the time of opening or operating an account and/or doing KYC, the concerned officer shall explain to the customers the reasons and/or grounds for asking documents or identities. The concerned officer shall also respond to the customer's query, if any. The Management of AFPLC may distribute leaflets among customers to make them aware of ML/TF and also arrange to stick posters in visible places at Head Office and every branch.

AFPLC also requires displaying trailer, documentary etc. in public or other media to make awareness under Corporate Social Responsibility with due approval of the competent authority.

### **7.8 Suspicious transaction report (STR)/suspicious activity report (SAR)**

According to the provision of section 25(1)(d) of Money Laundering Prevention (Amendment) Act, 2015 and section 2(16) of Anti-Terrorism (Amendment) Act, 2013, AFPLC requires to submit report proactively and immediately to Bangladesh Financial Intelligence Unit (BFIU) on suspicious, unusual or doubtful transactions/activity report relating to ML/TF. **(More details are in Chapter-10).**

### **7.9 Cash transaction report (CTR)**

According to the provision of section 23 of Money Laundering Prevention (Amendment) Act, 2015 and section 15 of Anti-Terrorism (Amendment) Act, 2013 and on the basis of BFIU Master Circular#28, dated May 30, 2023, AFPLC requires to submit CTR to Bangladesh Financial Intelligence Unit (BFIU) on monthly basis on or before 21<sup>st</sup> of the next month using goAML software on doubtful cash transactions, if any, relating to ML/TF. **(More details are in Chapter-11).**

### 7.10 Procedure of Self-Assessment Report (SAR)

This policy requires that appropriate and timely self-assessments, tests, audits and evaluations be conducted to ensure that the AFPLC is in compliance with the regulations. Each and every branch shall assess their performance through self-assessment report on half yearly basis according to Master Circular#28, dated May 30, 2023 of the Bangladesh Financial Intelligence Unit (BFIU). This procedure enables management to identify areas of risk or to assess the need for additional control mechanisms. The SAR should conclude with a report documenting the work performed, how it has been controlled/supervised and the resulting findings, conclusions and recommendations. The SAR should advise management whether the internal procedures and statutory obligations of AFPLC have been properly discharged. Each branch will assess its AML/CFT activities on half yearly basis as per prescribed format (Annexure-F) issued by BFIU. Branch Manager will hold meeting with all employees regarding the assessment and identify the problems (if any) prevailing in the branch. Branch Manager shall exert best effort to solve the identified problems. Each branch shall submit the Self-Assessment Report with recommendations to Central Compliance Unit (CCU) and Internal Control & Compliance (ICC) within 15 (fifteen) days of each half year end.

Self-assessment at branch level shall encompass the following areas:

- i. the percentage of officers/employees that received official training on AML/CFT;
- ii. the awareness of the officers/employees about the internal AML/CFT policies, procedures and programs, and BFIU's instructions, circulars and guidelines;
- iii. the arrangement of AML/CFT related meeting on regular interval;
- iv. the effectiveness of the customer identification during opening an individual, corporate and other account;
- v. the risk categorization of customers by the branch;
- vi. regular update of customer profile upon reassessment;
- vii. the monitoring of customers' transactions;
- viii. identification of Suspicious Transaction Reports/Suspicious Activity Report (STRs/SARs);
- ix. the maintenance of a separate file containing MLPA, circulars, training records, reports and other ML related documents and distribution of those among all employees;
- x. the measures taken by the branch during opening of account of PEPs/IPs;
- xi. consideration of UNSCR 1267 and 1373 while conducting any business; and
- xii. Compliance with AML/CFT weaknesses/irregularities, as the CCU/ICC of Head Office and BFIU's inspection report mentioned.

A standard self-assessments report (SAR) format has been attached at “**Annexure-F**” of this guideline as prescribed in Master Circular#28, dated May 30, 2023 of the BFIU.

### 7.11 Independent testing procedures (ITP)

As per Master Circular#28, dated May 30, 2023 of the Bangladesh Financial Intelligence Unit (BFIU) testing on Prevention of Money Laundering is to be conducted on the branches by the internal audit personnel of ICC department and by an outside party such as the institution's external auditors. While conducting the same, they should also look into whether the directives of BFIU issued from time to time in this respect are followed meticulously by the branches. If any deficiency/problem is found after scrutinizing the Self-assessment Report, ICC department visits the branch immediately and informs the Central Compliance Unit (CCU) accordingly. ICC department examines the compliance status of AML/CFT issues and assign score for specific criteria as per prescribed checklist (Annexure-G) of Independent Testing Procedure (ITP). Subsequently, the said inspection report including the score sheet shall be forwarded to Central Compliance Unit (CCU).

Mentionable that compliance of AML is the responsibility of each employee of AFPLC. Therefore, all guidelines related to AML be updated as and when required and circulated to ensure that all employees are aware of the Money Laundering Prevention (Amendment) Act, 2015 and Anti-Terrorism (Amendment) Act, 2013, BFIU's instructions, internal guidelines and other policies and procedures.

The test will cover the following areas:

- i. activities of branch compliance unit/BAMLCO ;
- ii. knowledge of officers/employees on AML/CFT issues;
- iii. customer Identification (KYC) process;
- iv. process and action to identify STRs/SARs/CTRs;
- v. regular submission of reports to CCU;
- vi. proper record keeping; and
- vii. overall AML/CFT related activities by the branch.

The tests include interviews with employees handling transactions and interviews with their supervisors to determine their knowledge and compliance with Company's AML/CFT procedures like:

- i. sampling of large transactions followed by a review of transaction record retention forms and suspicious transaction referral forms;
- ii. test of the validity and reasonableness of any exemption granted by the financial institution; and
- iii. test of the record keeping system according to the provisions of the laws. Any deficiencies should be identified and reported to senior management together with a request for a response indicating corrective action taken or to be taken and a deadline.

A standard ITP format has been attached at “**Annexure-G**” of this guideline as prescribed in Master Circular#28, dated May 30, 2023 of the BFIU.

### 7.12 Overall assessment report

In compliance with the Master Circular # 28, dated: May 30, 2023 of Bangladesh Financial Intelligence Unit (BFIU), the Central Compliance Unit of AFPLC requires to prepare an Overall Assessment Report on half yearly basis towards submission to the BFIU stating direction/recommendation, if any, of the Board or Top Management Committee.

# ALLIANCE FINANCE PLC

## Chapter 8: Compliance program of AFPLC against ML/TF

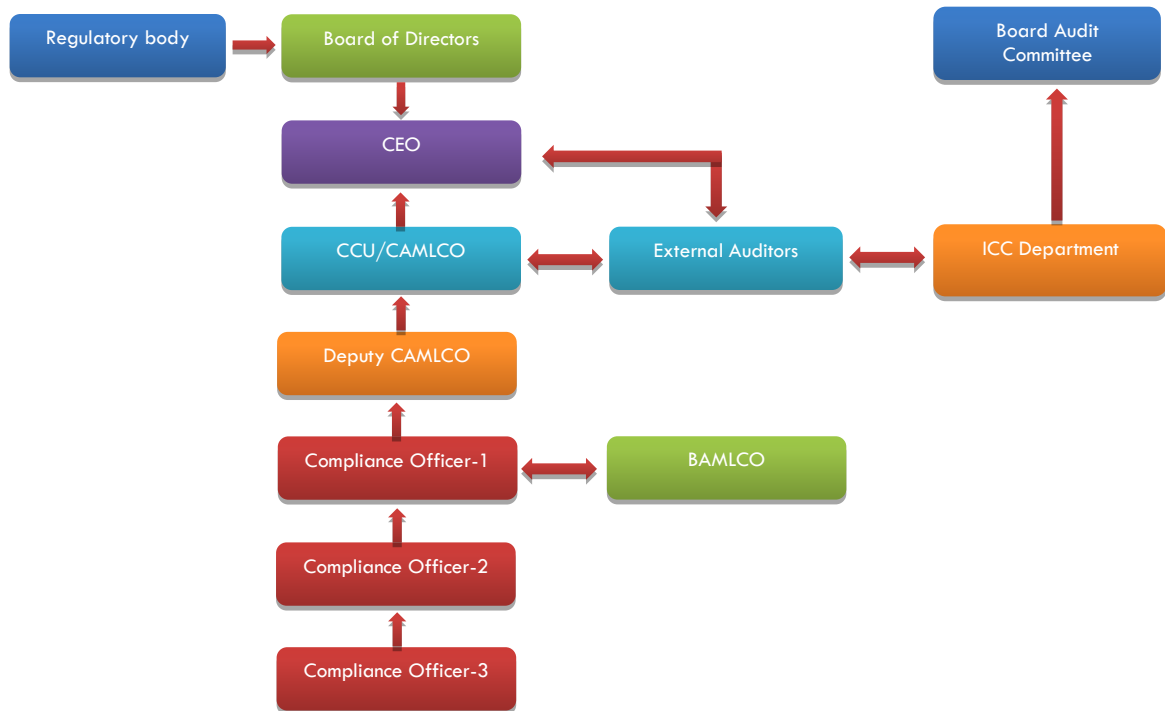
AFPLC considering the prevailing laws and regulations; and Bangladesh Financial Intelligence Unit (BFIU)'s Circulars should establish and maintain an effective AML/CFT program which should include the followings:

- i. development of internal policies, procedures and controls mechanism;
- ii. appointment of an AML/CFT compliance officer;
- iii. ongoing employee training programs; and
- iv. independent audit functions including internal and external audit functions to test AML/CFT programs.

The compliance policies should be documented, approved by the Board of Directors and communicated to all levels of the organization.

### 8.1 Formation of Central Compliance Unit (CCU)

As per Bangladesh Financial Intelligence Unit (BFIU) instructions, the CCU will be headed by a senior level employee whose position cannot be lower than the third rank in seniority of organizational hierarchy and a minimum of 7(seven) years of working experience, with a minimum of 3(three) years at the managerial level/administrative level. However, in the case of a foreign financial institute CAMLCO must be a member of the Management Committee. The CAMLCO of the Company will be the Head of the CCU. DCAMLCO will have a minimum of 5 (five) years of working experience in Bank/Financial Institutions. CAMLCO will be assisted by DCAMLCO & three other designated officers, among which two will be from the business department and another from any suitable department but none from the ICC department. It is notable that the Central Compliance Unit (CCU) and Internal Control & Compliance (ICC) shall work as separate Unit/Department to ensure compliance with applicable laws and directives issued by BFIU. The organogram of CCU is shown below:



**Figure: Formation of Central Compliance Unit**

## ALLIANCE FINANCE PLC

The designated CAMLCO/Head of CCU should be a central point of contact for communicating with the regulatory and/or investigation agencies regarding issues related to Company's AML/CFT program.

CCU will issue the instructions to be followed by the branches; these instructions will be prepared on the basis of combination of issues in monitoring of transactions, internal control, policies and procedures from the point of view of preventing money laundering & combating terrorist financing.

### 8.2 Responsibilities of the officials of AFPLC

The responsibilities of the official's various departments are presented below on tabular form for easy understanding of and smooth implementation by the concerned employee/s:

Responsible Depts. or Officials	Responsibilities
Officer in charge who is responsible for opening new accounts/making transaction	<ul style="list-style-type: none"> <li>a. To interview the potential customer;</li> <li>b. verify customer profile;</li> <li>c. to arrive at threshold limit for each account (new as well as existing) and to exercise due diligence in identifying suspicious transactions/activities;</li> <li>d. to restrict opening of accounts in the name of terrorist/banned organizations;</li> <li>e. to adhere with the provisions of Money Laundering Prevention (Amendment) Act, 2015; and</li> <li>f. to comply with the guidelines issued by Bangladesh Financial Intelligence Unit (BFIU) and by the company from time to time in respect of opening and conducting of account.</li> </ul>
Chief Risk Officer	To assess the ML risk involves in operating activities of the Company and to evaluate adequacy and effectiveness of the control mechanism set for safeguarding the company's risks.
Head of Operations	<ul style="list-style-type: none"> <li>a. To scrutinize and ensure that the information furnished in the account opening form/customer profile/threshold limit are in strict compliance with AML/CFT Guidelines before authorizing opening of account; and</li> <li>b. to certify regarding compliance with AML/CFT Guidelines and report suspicious transactions to CAMLCO/CEO.</li> </ul>
Internal Auditor	To verify and record his comments on the effectiveness of measures taken by the concerned officials and the level of implementation AML/CFT Guidelines.
CAMLCO	<ul style="list-style-type: none"> <li>a. To implement and enforce Company's AML policies;</li> <li>b. to ensure sending STR/SAR/CTR to Bangladesh Financial Intelligence Unit (BFIU);</li> <li>c. to inform DCAMLCO/BAMLCO required actions, if any, to be taken.</li> </ul>

DCAMLCO	<ul style="list-style-type: none"> <li>a. To assist CAMLCO to implement and enforce Company’s AML policies;</li> <li>b. send STR/SAR/CTR to Bangladesh Financial Intelligence Unit (BFIU) through CCU;</li> <li>c. ensuring flow of information to BAMLCO towards reporting to CAMLCO and CCU; and</li> <li>d. to assist CAMLCO to take other required actions, if any, to be taken.</li> </ul>
BAMLCO	<ul style="list-style-type: none"> <li>a. ongoing monitoring of customer’s KYC profile/CDD/EDD and transaction activities;</li> <li>b. report STR/SAR/CTR through branch manager to CAMLCO and CCU;</li> <li>c. provide AML training to branch employees;</li> <li>d. communicate and update to all employees in case of any changes in national or Company’s own policies;</li> <li>e. organize a meeting with all executives/officers at least once after each quarter end as per Master Circular#28, dated May 30, 2023 of Bangladesh Financial Intelligence Unit (BFIU); and</li> <li>f. submit Self-Assessment Report and applicable returns to CAMLCO/CCU/ICC on timely manner.</li> </ul>
Branch Manager	<ul style="list-style-type: none"> <li>a. ensure that the AML program is effective within the Branch;</li> <li>b. overall responsibility to ensure that the Branch has an effective AML program in place and that it is working effectively.</li> </ul>
Top Management	Prompt reporting of information regarding suspicious transactions to concerned law enforcing authority in consultation with the competent authority/ies.
Managing Director/CEO	Overall responsibility to ensure that AFPLC has AML program in place and that it is working effectively.

**8.3 The responsibilities of CCU members**

To ensure compliance of the Money Laundering Prevention (Amendment) Act, 2015 and Anti-Terrorism (Amendment) Act, 2013, AFPLC requires to establish a Central Compliance Unit (CCU) to arrange internal monitoring and control under the leadership of a high official at the Head Office whose seniority shall not be less than third from the official hierarchy. In every year, Central Compliance Unit (CCU) will organize at least 4 (four) meetings to discuss about the compliance status in relation to AML/CFT issue. CCU will issue the instructions to be followed by each concerned officer of Head Office as well as branch/es; these instructions will be prepared based on combination of issues in monitoring of transactions, internal control, policies and procedures from the point of view of preventing ML and combating TF. CCU shall be dedicated solely to perform the compliance functions. The responsibilities of a CCU shall include:

- i. preparing an ‘Overall Assessment Report’ after evaluating the ‘Self-assessment Reports’ received from the branches and submitting it with comments and/or recommendations to the Managing Director/CEO;

## **ALLIANCE FINANCE PLC**

- ii. Subsequently, submitting 'Overall Assessment Report' along with Managing Director/CEO's instructions and recommendation before the Board of Directors or Management Committee for getting approval;
- iii. Submitting a half-yearly overall assessment report to BFIU within 2 (two) months after end of each half year.

### **8.4 Appointment of chief AML/CFT compliance officer (CAMLCO)**

AFPLC requires to designate a Chief AML/CFT Compliance Officer (CAMLCO) at its Head Office who has sufficient authority to implement and enforce corporate-wide AML/CFT policies, procedures and measures. CAMLCO will directly report to the Managing Director/CEO for his/her responsibility. CAMLCO will also be responsible to coordinate and monitor day to day compliance with applicable AML/CFT related laws, rules and regulations as well as with its internal policies, practices, procedures and controls.

CAMLCO will be the head of CCU and s/he will be the central point of contact for communicating with the regulatory and/or investigation agencies regarding issues related to Company's AML/CFT program. The position of the CAMLCO cannot be lower than the third rank in seniority of organizational hierarchy. The CAMLCO should have a minimum of 7(seven) years of working experience, with a minimum of 3(three) years at a managerial/administrative level.

### **8.5 Responsibilities of CAMLCO**

The major responsibilities of CAMLCO are as follows:

- i. to monitor, review and coordinate application and enforcement of AML/CFT policy. This will include-an AML/CFT risk assessment, practices, procedures and controls for account opening, KYC procedures and ongoing account/transaction monitoring for detecting suspicious transaction or activities, and a written AML/CFT training plan;
- ii. to monitor changes of laws/regulations and directives of Bangladesh Financial Intelligence Unit (BFIU) and revise its internal policies accordingly;
- iii. to respond to compliance questions and concerns of the staff and advise branches/units and assist in providing solutions to potential issues involving compliance and risk;
- iv. to ensure that Company's AML/CFT policy is complete and up-to-date, to maintain ongoing awareness of new and changing business activities and products;
- v. to develop compliance knowledge of all staff, especially the compliance personnel and conduct training courses in this regard;
- vi. to develop and maintain ongoing relationships with regulatory authorities, external and internal auditors, regional/branch/unit heads and compliance resources to assist in early identification of compliance issues;
- vii. to assist in review of control procedures in AFPLC to ensure legal and regulatory compliance and in the development of adequate and sufficient testing procedures to prevent and detect compliance lapses, if any;
- viii. to monitor the business through self-testing for AML/CFT compliance and take any required corrective action;



## **ALLIANCE FINANCE PLC**

- ix. to manage the STR/SAR/CTR process by:
  - a. reviewing transactions referred by branch or unit compliance officers as suspicious through CCU meeting;
  - b. reviewing the transaction monitoring reports (directly or together with account management personnel);
  - c. ensuring STR/SAR/CTR as the case may be:
    - are prepared when appropriate;
    - are accompanied by documentation of the branch's decision to retain or terminate the account as required under its policy;
    - are advised branch/es of AFPL who are known to have a relationship with the customer; and
    - are reported to the Managing Director/CEO, and the Board of Directors when the suspicious activity is judged to represent significant risk to the institution, including reputation risk.
  - d. ensuring that a documented plan of corrective action, appropriate for the seriousness of the suspicious activity, be prepared and approved by the branch manager;
  - e. maintaining a review and follow up process to ensure that planned corrective action, including possible termination of an account, be taken in a timely manner; and
  - f. managing the process for reporting suspicious activity to BFIU after appropriate internal consultation.

### **8.6 Responsibilities of deputy CAMLCO**

The major responsibilities of deputy CAMLCO are as follows:

- i. assisting CAMLCO in implementing and enforcing institution's AML/CFT policies;
- ii. send STR/SAR/CTR to Bangladesh Financial Intelligence Unit (BFIU) through CCU;
- iii. ensuring flow of information to BAMLCO towards reporting to CAMLCO and CCU; and
- iv. assist CAMLCO to take other required actions, if any, to be taken.

### **8.7 Responsibilities of BAMLCO**

AFPLC requires designating Branch Anti-money Laundering Compliance Officer (BAMLCO) at every branch. BAMLCO will be the second man of a branch and have a minimum 3(three) year experience in related field. The responsibilities of a BAMLCO are as follows:

- i. ongoing monitoring of customer's KYC profile/CDD/EDD and transaction activities;
- ii. report any STR/SAR/CTR through branch manager to CAMLCO and CCU;
- iii. provide AML training to branch employees;
- iv. communicate and update to all employee in case of any changes in national or Company's own policy;
- v. organize quarterly meetings with all executives/officers of the branch and submit the meeting minutes to Central Compliance Unit (CCU) in due course;
- vi. submit Self-Assessment Report and applicable returns to CAMLCO/CCU/ICC, as the case may be, on timely manner; and
- vii. Ensure the customer is not included in the UN and Local sanction list.

## **ALLIANCE FINANCE PLC**

### **8.8 Employee training and awareness program**

As per FATF recommendation no.18, a formal AML/CFT compliance program should include an ongoing employee training schedule. The importance of a successful training and awareness program cannot be overstated. Employees in different business functions need to understand how the financial institution 's policy, procedures, and controls affect them in their day to day activities. As per the Master Circular#28, dated May 30, 2023, AFPLC shall have to arrange suitable training for officials to ensure proper compliance of AML/CFT activities. Following training procedures to be followed by the Company for prevention of ML and combating TF:

#### **8.8.1 Employee awareness**

Employees must be aware of their own personal statutory obligations and that they will be personally liable for failure to report information in accordance with internal procedures. All employees must be trained to co-operate fully and to provide a prompt report of any STR/SAR/CTR.

#### **8.8.2 Education and training programs**

All relevant employees should be educated in the process of the KYC requirements to prevent ML and & combating TF. The training in this respect should cover not only the need to know the true identity of the customer but also, where a business relationship is being established, the need to know enough about the type of business activities expected in relation to that customer at the outset to know what might constitute suspicious activity at a future date. Concerned employees should be alert to any change in the pattern of a customer's transactions or circumstances that might constitute criminal activity.

Generally, all trainings could be divided in two types:

- i. general training; and
- ii. job specific training

#### **General training**

A general training program has to be organized on a yearly basis, which include the following:

- i. general information on the risks of ML and TF schemes, methodologies, and typologies;
- ii. legal framework, how AML/CFT related laws apply to AFPLC;
- iii. policies and systems with regard to customer identification and verification, due diligence, monitoring;
- iv. how to react when faced with a suspicious customer or transaction;
- v. how to respond to customers who want to avoid reporting requirements;
- vi. stressing the importance of not tipping off customer information;
- vii. STR/SAR/CTR requirements and processes; and
- viii. duties and accountability of employees.

## **ALLIANCE FINANCE PLC**

### **Job Specific Training**

#### a. New employee training

For a new employee the compliance policy statement must be signed-off at the beginning of the joining and he/she must have an on the job training from the departmental head regarding the importance of AML/CFT activities. The new employee must also go through the yearly training on AML/CFT.

#### b. Customer service/relationship managers

Employees of the investment departments who are to deal directly with the public are the first point of contact with potential money launderers and terrorist financiers and their efforts are vital to the organization's strategy to fight against ML and TF. They must be made aware of their legal responsibilities and the organization's reporting system for such transactions. Training should be provided on factors that may give rise to suspicions and on the procedures to be adopted when a transaction is deemed to be suspicious.

#### c. Operation department

Operation department employees who receives loan application forms and cheques for deposit into Company's account should receive training on the processing and verification procedures of customer profile/CDD/EDD. In addition, they need to be trained in the organization's account opening and customer verification procedures. Employees should be aware that the offer to deploy suspicious funds or the request to undertake a suspicious transaction may need to be reported to the CAMLCO (or alternatively a line supervisor).

#### d. Credit officers

Training should reflect an understanding of the credit function. Judgments about collateral and credit require awareness and vigilance toward possible laundering and funding terrorists. Indirect lending programs and lease financing also call for KYC efforts and sensitivity to laundering risks.

#### e. Audit and compliance officer

Internal auditors are charged with overseeing, monitoring and testing ML/TF controls, and they should be trained about changes in regulation, money laundering and terrorist financing methods and enforcement, and their impact on the institution.

#### f. Senior management commitment and role of the Board of Directors

The most important element of a successful AML/CFT program is the commitment of senior management, including the Managing Director/Chief Executive Officer and the Board of Directors. AML/CFT issues may be communicated to the Board from time to time, if necessary. The message from top management and the Board of Directors will be "Zero Tolerance" in case of AML and CFT.

#### g. AML/CFT compliance officer

The AML/CFT compliance officer should receive in depth training in all aspects of the AML/CFT legislation, Bangladesh Financial Intelligence Unit (BFIU) directives, circulars, guidelines and internal policies. In addition, the AML/CFT Compliance Officer will require extensive instructions on the validation and reporting of STR/SAR/CTR and on the feedback arrangements, and on new trends and patterns of criminal activities.

### **8.9 Independent audit function**

Independent audit function is very important to ensure the effectiveness of AML/CFT program. Auditors should act independently and report directly to the Board of Directors if there is any breach of policy and procedures. Auditor's responsibilities regarding compliances are as follows:

### **8.10 Internal audit**

The responsibilities of internal auditors are:

- address on the adequacy of AML/CFT risk assessment;
- examine/attest the overall integrity and effectiveness of the management systems and the control environment;
- examine the adequacy of Customer Due Diligence (CDD) policies, procedures and processes, and whether they comply with internal requirements;
- perform appropriate transaction testing with particular emphasis on high-risk operations (products, service, customers, regulatory and geographic locations);
- assess the adequacy of the AFPLC processes for identifying and reporting STR/SAR/CTR;
- communicate the findings to the CCU/Managing Director/CEO and/or Board in a timely manner;
- track previously identified deficiencies and ensures that management corrects them;
- assess training adequacy, including its comprehensiveness, accuracy of materials, training schedule and attendance tracking;
- employee accountability for ensuring AML/CFT compliance;
- effectiveness of training, in view of specific risks of individual business lines; etc.

### **8.11 External Auditors'**

External auditors shall play an essential part in reviewing the adequacy of controls by communicating their findings and recommendations to management via the annual management letter, which accompanies the audit report. External auditors should focus their audit programs on risk factors and conduct intensive reviews of higher risk areas where controls may be deficient. AFPLC may, if required, facilitate the external auditors in reviewing whether the ML policies have been complied with or not by the management.

## Chapter 9: Offence of money laundering and punishment

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### 9.1 Offence

For the purpose of this Act money laundering shall be deemed to be an offence.

### 9.2 Punishment

According to section 25(2) of Money Laundering Prevention (Amendment) Act, 2015, if any reporting organization violates the directions mentioned in sub-section (1) of section 25 of Money Laundering Prevention (Amendment) Act, 2015, Bangladesh Financial Intelligence Unit (BFIU) or Regulating authority of reporting organization may-

- a. impose a fine of at least Taka 50(fifty) thousand but not exceeding Taka 25(twenty five) lacs on the reporting organization; and
- b. in addition to the fine mentioned in clause (a), cancel the license or the authorization for carrying out commercial activities of the said organization or any of its branches, service centers, booths or agents, or as the case may be, shall inform the registration or licensing authority about the fact so that the relevant authority may take appropriate measures against the organization.

In addition to the above mentioned provisions there are some provisions of penalties in section 23 of Money Laundering Prevention (Amendment) Act, 2015. These are:

**Under section 23(3):** If any reporting organization fails to provide with the requested information timely under this section, Bangladesh Financial Intelligence Unit (BFIU) may impose a fine on such organization which may extend to a maximum of Taka 5(five) lacs at the rate of Taka 10(ten) thousand per day and if any organization is fined more than 3(three) times in 1(one) financial year, BFIU may suspend the registration or license of the organization or any of its branches, service centers, booths or agents for the purpose of closing its operation within Bangladesh or, as the case may be, shall inform the registration or licensing authority about the fact so that the relevant authority may take appropriate measures against the organization.

**Under section 23(4):** If any reporting organization provides with false information or statement requested under this section, Bangladesh Financial Intelligence Unit (BFIU) may impose a fine on such organization not less than Taka 20(twenty) thousand but not exceeding Taka 5(five) lacs and if any organization is fined more than 3(three) times in 1(one) financial year, BFIU may suspend the registration or license of the organization or any of its branches, service centers, booths or agents for the purpose of closing its operation within Bangladesh or, as the case may be, shall inform the registration or licensing authority about the fact so that relevant authority may take appropriate measures against the said organization.

**Under section 23(5):** If any reporting organization fails to comply with any instruction given by Bangladesh Financial Intelligence Unit (BFIU) under this Act, BFIU may impose a fine on such organization which may extend to a maximum of Taka 5 (five) lacs at the rate of Taka 10 (ten) thousand per day for each of such non-compliance and if any organization is fined more than 3(three) times in 1(one) financial year, BFIU may suspend the registration or license of the organization or any of its branches, service centers, booths or agents for the purpose of closing its operation within Bangladesh or, as the case may be, shall inform the registration or licensing authority about the fact so that the relevant authority may take appropriate measures against the said organization.

**Under section 23(6):** If any reporting organization fails to comply with any order for freezing or suspension of transaction issued by Bangladesh Financial Intelligence Unit (BFIU) under clause (c) of sub-section 23(1) of Money Laundering Prevention (Amendment) Act, 2015, BFIU may impose a fine on such organization not less than the balance held on that account but not more than twice of the balance held at the time of issuing the order.

**Under section 23(7):** If any person or entity or reporting organization fails to pay any fine imposed by Bangladesh Financial Intelligence Unit (BFIU) under sections 23 and 25 of this Act, BFIU may recover the fine from accounts maintained in the name of the relevant person, entity or reporting organization in any bank or financial institution or BFIU, and in this regard if any amount of the fine remains unrealized, BFIU may, if necessary, make an application before the court for recovery and the court may pass such order as it deems fit.

**Under section 23(7) ক:** এই আইনে বর্ণিত অপরাধের অনুসন্ধান ও তদন্তে কোন তদন্তকারী সংস্থা কোন ব্যাংক বা আর্থিক প্রতিষ্ঠানের গ্রাহকের হিসাব সংক্রান্ত দলিল ও তথ্যাদি উপযুক্ত আদালতের আদেশক্রমে অথবা বাংলাদেশ ফাইন্যান্সিয়াল ইন্টেলিজেন্স ইউনিটের মাধ্যমে সংগ্রহ করিতে পারিবে।

**Under section 23(8):** If any reporting organization is imposed fine under sub-sections 23 (3), (4), (5) and (6), Bangladesh Financial Intelligence Unit (BFIU) may also impose a fine not less than Taka 10(ten) thousand but not exceeding Taka 5(five) lacs on the responsible owner, directors, officers and staff or persons employed on contractual basis of that reporting organization and, where necessary, may direct the relevant organization to take necessary administrative action.

#### **Under section 4: Offence of money laundering and punishment**

- (1) For the purposes of this Act, money laundering shall be deemed to be an offence.
- (২) কোন ব্যক্তি মানিলন্ডারিং অপরাধ করিলে বা মানিলন্ডারিং অপরাধ সংঘটনের চেষ্টা, সহায়তা বা ষড়যন্ত্র করিলে তিনি অন্যান্য ৪ (চার) বৎসর এবং অনধিক ১২ (বার) বৎসর পর্যন্ত কারাদন্ডে দণ্ডিত হইবেন এবং ইহার অতিরিক্ত অপরাধের সাথে সংশ্লিষ্ট সম্পত্তির দ্বিগুণ মূল্যের সমপরিমাণ বা ১০ (দশ) লক্ষ টাকা পর্যন্ত, যাহা অধিক, অর্থদন্ডে দণ্ডিত হইবেন। :  
তবে শর্ত থাকে যে, আদালত কর্তৃক ধার্যকৃত সময়সীমার মধ্যে অর্থদণ্ড পরিশোধে ব্যর্থ হইলে আদালত অপরিশোধিত অর্থদণ্ডের পরিমাণ বিবেচনায় অতিরিক্ত কারাদণ্ডে দণ্ডিত করিবার আদেশ প্রদান করিতে পারিবে।
- (3) In addition to any fine or punishment, the court may pass an order to forfeit the property of the convicted person in favor of the State which is directly or indirectly involved in or related with money laundering or any predicate offence.
- (৪) কোন সত্তা এই আইনের অধীন কোন অপরাধ সংঘটন করিলে বা অপরাধ সংঘটনের চেষ্টা, সহায়তা বা ষড়যন্ত্র করিলে ধারা ২৭ এর বিধান সাপেক্ষে, উপ-ধারা (২) এর বিধান অনুসারে ব্যবস্থা গ্রহণ করা যাইবে এবং অপরাধের সহিত সংশ্লিষ্ট সম্পত্তির মূল্যের অন্যান্য দ্বিগুণ অথবা ২০ (বিশ) লক্ষ টাকা, যাহা অধিক হয়, অর্থদন্ড প্রদান করা যাইবে এবং উক্ত প্রতিষ্ঠানের নিবন্ধন বাতিলযোগ্য হইবে: তবে শর্ত থাকে যে, উক্ত সত্তা আদালত কর্তৃক ধার্যকৃত সময়সীমার মধ্যে অর্থদন্ড পরিশোধে ব্যর্থ হইলে আদালত অপরিশোধিত অর্থদন্ডের পরিমাণ বিবেচনায় সত্তার মালিক, চেয়ারম্যান বা পরিচালক যে নামেই অভিহিত করা হউক না কেন, তাহার বিরুদ্ধে কারাদন্ডে দণ্ডিত করিবার আদেশ প্রদান করিতে পারিবে।
- (5) It shall not be a prerequisite to charge or punish for money laundering to be convicted or sentenced for any predicate offence.

**Under section 5: Punishment for violation of an order for freezing or attachment**

Any person who violates a freezing or attachment order issued under this Act shall be punished with imprisonment for a term not exceeding 3(three) years or with a fine equivalent to the value of the property subject to freeze or attachment, or with both.

**Under section 6: Punishment for divulging information**

- (1) No person shall, with an ill motive, divulge any information relating to the investigation or any other related information to any person, organization or news media.
- (2) Any person, institution or agent empowered under this Act shall refrain from using or divulging any information collected, received, retrieved or known by the person, institution or agent during the course of employment or appointment, or after the expiry of any contract of service or appointment for any purpose other than the purposes of this Act.
- (3) Any person who contravenes the provisions of sub-sections (1) and (2) shall be punished with imprisonment for a term not exceeding 2(two) years or a fine not exceeding Taka 50(fifty) thousand or with both.

**Under section 7: Punishment for obstruction or non-cooperation in investigation, failure to submit report or obstruction in the supply of information**

- (1) Any person who, under this Act-
  - (a) obstructs or declines to cooperate with any investigation officer for carrying out the investigation; or
  - (b) declines to supply information or submit a report being requested without any reasonable ground;shall be deemed to have committed an offence under this Act.
- (2) Any person who is convicted under sub-section (1) shall be punished with imprisonment for a term not exceeding 1(one) year or with a fine not exceeding Taka 25(twenty-five) thousand or with both.

**Under section 8: Punishment for providing false information**

- (1) No person shall knowingly provide false information in any manner regarding the source of fund or self-identity or the identity of an account holder or the beneficiary or nominee of an account.
- (2) Any person who violates the provision of sub-section (1) shall be punished with imprisonment for a term not exceeding 3(three) years or a fine not exceeding Taka 50(fifty) thousand or with both.

**Under section 9: Investigation and trial of an offence**

- (1) আপাতত বলবৎ অন্য কোন আইনে যাহা কিছুই থাকুক না কেন, এই আইনের অধীন অপরাধসমূহ ধারা ২(ঠ) তে উল্লিখিত তদন্তকারী সংস্থার কর্মকর্তা বা এতদুদ্দেশ্যে সরকারের সহিত পরামর্শক্রমে, বাংলাদেশ ফাইন্যান্সিয়াল ইন্টেলিজেন্স ইউনিট কর্তৃক একাধিক তদন্তকারী সংস্থার কর্মকর্তাদের সমন্বয়ে গঠিত যৌথ তদন্তকারী দল, তদন্ত করিবে।
- (2) আপাতত বলবৎ অন্য কোন আইনে যাহা কিছুই থাকুক না কেন, এই আইনের অধীন অপরাধসমূহ Criminal Law (Amendment) Act, 1958 (Act XL of 1958) এর section 3 এর অধীন নিযুক্ত স্পেশাল জজ কর্তৃক বিচার্য হইবে।
- (3) অভিযুক্ত ব্যক্তি বা সত্তার সম্পত্তি অনুসন্ধান ও সনাক্তকরণের লক্ষ্যে তদন্ত কর্মকর্তা কর্তৃক এই আইনের পাশাপাশি অন্যান্য আইনে এতদুদ্দেশ্যে প্রদত্ত ক্ষমতাও প্রয়োগ করিতে পারিবে।
- (4) তদন্তকারী সংস্থা এই আইনের অধীন সংঘটিত অপরাধ অনুসন্ধান বা তদন্ত কার্যক্রম পরিচালনার বিষয়টি বাংলাদেশ ফাইন্যান্সিয়াল ইন্টেলিজেন্স ইউনিটকে অবহিত করিবে।

**Under section 27: Offences committed by an entity**

If any offence under this Act is committed by an entity, every proprietor, director, manager, secretary or any other officer, staff or representative of the said entity who is directly involved in the offence shall be deemed to be guilty of the offence, unless he is able to prove that the offence has been committed without his knowledge or he tried his best to prevent it.

**Explanation:** In this section “director” includes any member of the partnership entity or any of the Board of Directors of the entity, by whatever name called.

**Under section 28: Protection of actions taken in good faith**

No suit or prosecution or administrative measures or any other legal proceedings shall lie against the Government or any officer or staff of the Government or **Bangladesh Financial Intelligence Unit (BFIU) or any officer or staff of BFIU** or the **Investigating Agency or any officer or staff of the Agency** or any reporting organization or its Board of Directors or any of its officers or staff for anything which is done in good faith under this Act or Rules made thereunder for which any person is or likely to be affected.

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**Chapter 10: Suspicious transaction/activity report (STR/SAR)**

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The final output of all compliance programs is reporting of suspicious transactions or reporting of suspicious activity. Suspicious Transaction Report (STR) or Suspicious Activity Report (SAR) is an excellent tool for mitigating or minimizing the risk for financial institutions. So, it is necessary for the safety and soundness of the institution.

According to the provision of section 25(1)(d) of Money Laundering Prevention (Amendment) Act, 2015 and 15(1)(a) of Anti-Terrorism (Amendment) Act, 2013 AFPLC should report to Bangladesh Financial Intelligence Unit (BFIU) proactively and immediately, facts on suspicious, unusual or doubtful transactions likely to be related to ML/TF; because BFIU has the power to call STR/SAR from FIs related to ML/TF.

**10.1 General definition**

Generally, STR/SAR means a formatted report of suspicious transactions/activities where there are reasonable grounds to suspect that funds are the proceeds of predicate offence or may be linked to terrorist activity or the transactions do not seem to be usual one. Such report is to be submitted by financial institutions to Bangladesh Financial Intelligence Unit (BFIU).

**10.2 Legal definition**

Under section (2)(z) of Money Laundering Prevention (Amendment) Act, 2015 “suspicious transaction” means such transactions-



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- (a) which deviates from usual transactions;
- (b) of which there is ground to suspect that,
  - (1) the property is the proceeds of an offence,
  - (2) it is financing to any terrorist activity, a terrorist group or an individual terrorist;
- (c) which is, for the purposes of this Act, any other transaction or attempt of transaction delineated in the instructions issued by Bangladesh Financial Intelligence Unit (BFIU) from time to time;

In Anti-Terrorism (Amendment) Act, 2013, STR/SAR refers to the transaction that relates to financing for terrorism or terrorist individual or entities. One important thing may be noted that AFPLC do not require to establish any proof of occurrence of a predicate offence; it is a must to submit STR/SAR only on the basis of suspicion.

### **10.3 Obligations of such report**

As per the Money Laundering Prevention (Amendment) Act, 2015, AFPLC is obligated to submit STR/SAR to Bangladesh Financial Intelligence Unit (BFIU). Such obligation also prevails under Anti-Terrorism (Amendment) Act, 2013. Other than the legislation, BFIU has also instructed the FIs to submit STR/SAR through Master Circular#28, dated May 30, 2023.

### **10.4 Reasons for reporting of STR/SAR**

STR/SAR is very crucial for the safety and soundness of our institutions and accordingly AFPLC should submit STR/SAR considering the followings:

- i. it is a legal requirement in Bangladesh;
- ii. it helps protect the reputation of AFPLC;
- iii. it helps to protect AFPLC from unfounded allegations of assisting criminals, including terrorists;
- iv. it helps the competent authorities to investigate money laundering, terrorist financing, and other financial crimes; etc.

#### **10.4.1 Identification and evaluation of STR/SAR**

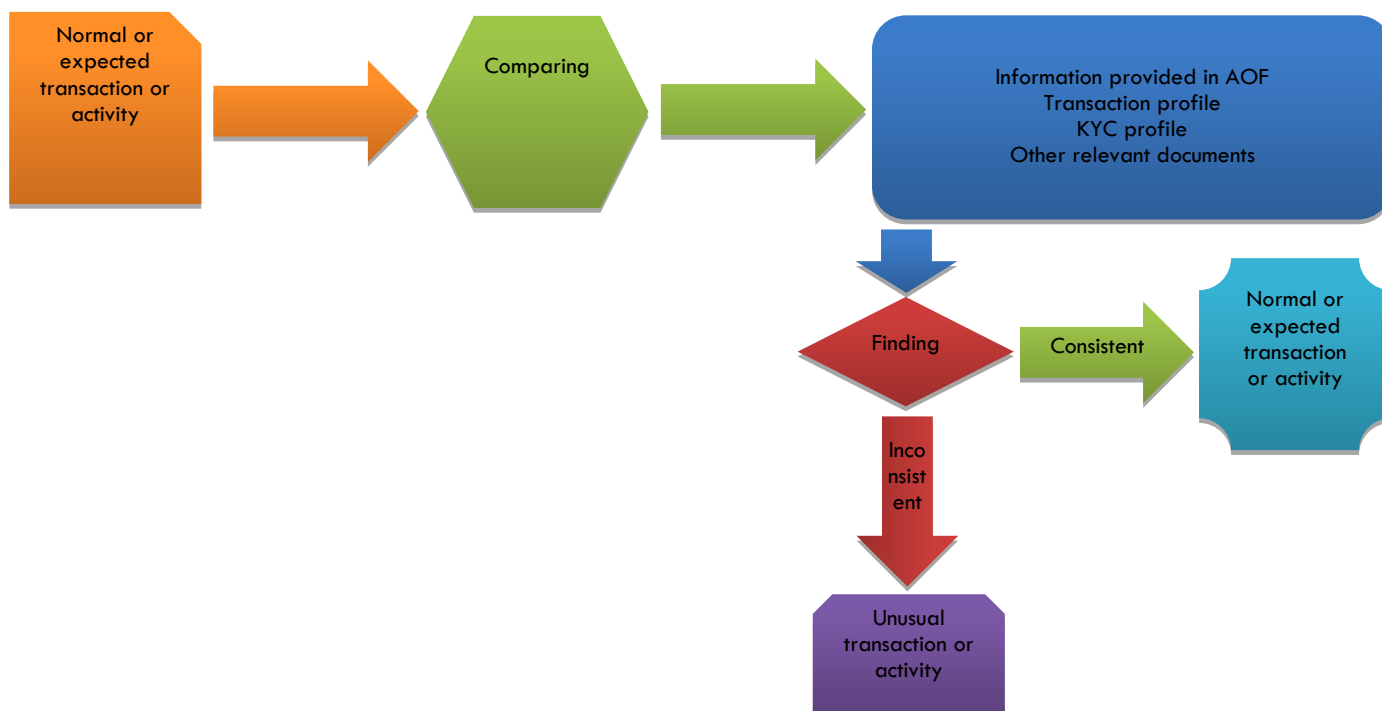
Identification of STR/SAR is very crucial for AFPLC to mitigate the risk. Identification of STR/SAR depends upon the detection mechanism in place. Such identification may not only take place at the time of transaction but also at the time of doing KYC/CDD/EDD and attempt to transaction or financial relation.

#### **10.4.2 Identification of STR/SAR**

Identification of STR/SAR shall be started by identifying unusual transactions and activities. Transactions may be unusual in terms of complexity of transaction, nature of transaction, volume of transaction, time of transaction etc. Concerned employee can take following steps to detect STR/SAR:

- i. reviewing KYC profile;
- ii. monitoring customer transactions; and
- iii. using red flag indicator.

Simply, if any transaction/activity is consistent with the information provided by the customer; that can be treated as normal and expected. When such transaction/activity is not normal & expected, it may be treated as unusual transaction/activity.



**Figure: STR/SAR Identification Process**

In case of reporting of STR/SAR, AFPLC should conduct the following 3(three) stages:

a) Identification:

This stage is very vital for STR/SAR reporting. AFPLC need to monitor constantly the activities of the accounts of customers. Monitoring mechanisms should be more rigorous in high-risk areas of an institution, having an alert management mechanism and appropriate staff (e.g. the AML/CFT compliance officer) dealing with of unusual/suspicious transactions or activities. Training of staff on the identification of unusual/suspicious activity should always be an ongoing process. AFPLC must be vigilant in complying with KYC meticulously and sources of funds of the customer to identify STR/SAR. (A standard format to process STR/SAR to CCU has been attached at “**Annexure-E**” of this guidelines).

b) Evaluation:

After identification of STR/SAR, compliance officer or BAMLCO should evaluate the transaction/activity by interviewing the customer or through any other means. In the evaluation stage concerned officer/BAMLCO must be tactful considering the tipping off provision of the acts. If they are not satisfied, they should forward the report to CCU. After receiving the report from Head Office/branch CCU should also evaluate the report whether the STR/SAR report should be sent to BFIU or not. At every stage of evaluation AFPLC should keep records complying with the requirement of Money Laundering Prevention (Amendment) Act, 2015.

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### c) Disclosure:

This is the final stage to submit STR/SAR to Bangladesh Financial Intelligence Unit (BFIU), when there is valid reason/s to treat any transaction as suspicious, on the ground of ML/TF. All information related to STR are to be preserved till receiving further instruction form BFIU. For simplification a flow chart is given below to show STR/SAR identification and reporting procedures:

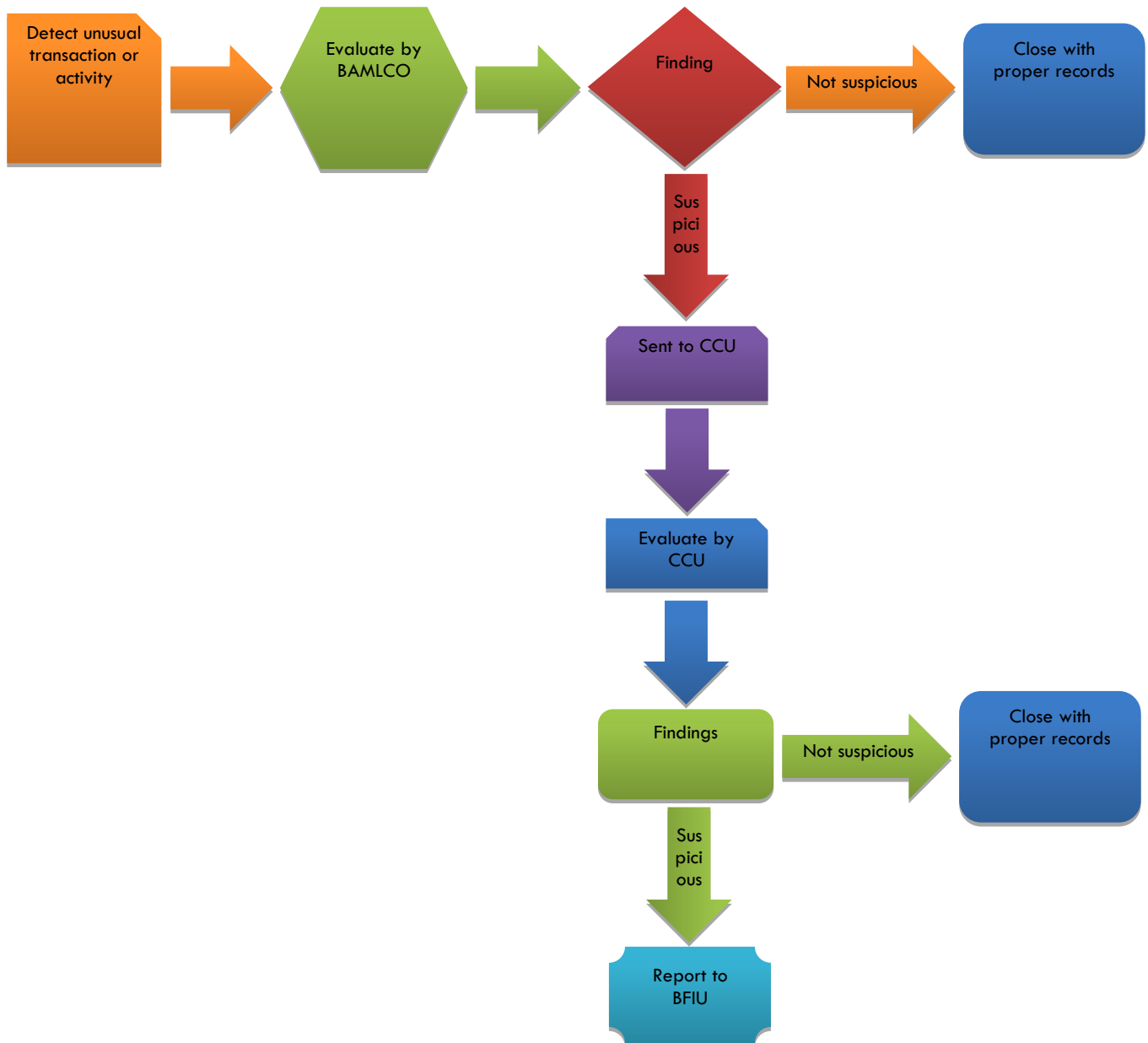


Figure: STR/SAR Reporting Process

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### 10.4.3 Reporting of STR/SAR

AFPLC as per Money Laundering Prevention (Amendment) Act, 2015 and Anti-Terrorism (Amendment) Act, 2013 are obligated to submit STR/SAR to Bangladesh Financial Intelligence Unit (BFIU). Such report must be sent to the BFIU from CCU by using specified format/instruction given by them. A STR/SAR format has been attached at “**Annexure-E**”.

### **10.5 Tipping off**

“Tipping off” means to disclose to the concerned person regarding the reporting/investigation process. The offence of “tipping off” occurs when information or any other matter which might prejudice the investigation is disclosed to the suspect of the investigation (or anyone else) by someone who knows or suspects (or in the case of terrorism, has reasonable cause to suspect) that an investigation into money laundering has begun or is about to begin, or the police/investigating authority have been informed of suspicious activities, or a disclosure has been made to another employee under internal reporting procedures.

Section 6 of Money Laundering Prevention (Amendment) Act, 2015 and FATF Recommendation no. 21 prohibits reporting agencies, their directors, officers and employees from disclosing the fact that an STR/SAR or related information is being reported to Bangladesh Financial Intelligence Unit (BFIU). A risk exists that customers could be unintentionally tipped off when AFPLC is seeking to perform its CDD obligation. AFPLC must report the account under STR/SAR without conducting CDD if there is a chance that information may be compromised.

#### *10.5 Penalties of tipping off*

As per section 6(2) & (3) of Money Laundering Prevention (Amendment) Act, 2015, the following penalties and/or punishment shall impose against any of the directors, officers and employees:

**Section 6(2) of this Act:** Any person, institution or agent empowered under this Act shall refrain from using or divulging any information collected, received, retrieved or known by the person, institution or agent during the course of employment or appointment, or after the expiry of any contract of service or appointment for any purpose other than the purposes of this Act.

**Section 6(3) of this Act:** Any person who contravenes the provisions of sub-sections (1) and (2) shall be punished with imprisonment for a term not exceeding 2(two) years or a fine not exceeding Taka 50(fifty) thousand or with both.

### **10.6 “Safe Harbor” provision for reporting**

Safe harbor laws encourage reporting agencies to report all suspicious transactions by protecting financial institutions and employees from criminal and civil liability when reporting suspicious transactions in good faith to competent authorities. Section 28 of Money Laundering Prevention (Amendment) Act, 2015 provides the safe harbor for reporting.

### **10.7 Indicators of STR/SAR**

#### 10.7.1 Frequent change of customer address

A customer who moves every month, particularly if there is nothing happened in that person’s information suggesting that frequent changes in residence is normal, could be suspicious.

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### 10.7.2 Out of market windfalls

Concerned officer shall pay attention to those customers/clients whose address is far from the Company, especially if there is no special reason for the same, it should be investigated whether there are institutions closer to home that could provide service to the customer. If the customer is a businessman, the distance to its operations may be an attempt to prevent AFPLC from verifying their business condition.

### 10.7.3 *Suspicious customer behavior*

Some typical behavior having intention to do suspicious transaction of a customer is:

- i. unusual or excessively nervous demeanor;
- ii. discusses on record-keeping or reporting duties with the apparent intention of avoiding them;
- iii. threatens an employee in an effort to discourage required record keeping or reporting;
- iv. reluctant to proceed with a transaction after being told it must be recorded;
- v. appears to have a hidden agenda or behaves abnormally, such as turning down the chance to obtain a higher interest rate on a large account balance;
- vi. who is a public official opens account in the name of a family member who begins making large deposits not consistent with the known source of legitimate family income;
- vii. a student uncharacteristically transacts large sums of money; and
- viii. an agent, attorney or financial advisor acts for another person without proper documentation such as a power of attorney etc.

### 10.7.4 Suspicious customer identification

Some typical examples having intention to hide identification towards suspicious transactions of a customer:

- i. furnishes unusual or suspicious identification documents and is unwilling to provide personal data;
- ii. is unwilling to provide personal background information when opening an account;
- iii. permanent address is outside the FI's service area;
- iv. asks many questions about how the financial institution disseminates information about the identification of a customer; and
- v. reluctant to reveal details about the business activities or to provide financial statements or documents about a related business entity.

### 10.7.5 Suspicious non-cash deposits

Some typical examples of non-cash deposits having intention to do suspicious transactions of a customer:

- i. deposits large numbers of consecutively numbered money orders or round figure amounts;
- ii. deposits cheques and/or money orders that are not consistent with the intent of the account or nature of business;
- iii. funds out of the accounts are not consistent with normal business or personal items of the account holder; and
- iv. funds deposited are moved quickly out of the account via payment methods inconsistent with the purpose of the account.

### 10.7.6 Suspicious activity in credit transactions

Some typical examples of credit transactions having intention to do suspicious transactions of a customer:

- i. financial statement does not conform with the accounting principles;
- ii. suddenly pays off a large problem loan with no reasonable explanation of source of funds; and
- iii. produce/lien certificate of deposit and use as collateral of a loan/lease.

### 10.7.7 Suspicious commercial account activity

Some typical examples of commercial account activity having intention to do suspicious transactions of a customer:

- i. business customer presents financial statements noticeably different from those of similar businesses; and
- ii. large business presents financial statements that are not prepared by professional accountant.

### 10.7.8 Suspicious employee activity

Some typical examples of activities having intention to help customer to do suspicious transactions towards ML/TF of an employee:

- i. exaggerates the credentials, background or financial ability and resources of a customer in written reports as per Company requirements;
- ii. frequently is involved in unresolved exceptions or recurring exceptions on exception reports;
- iii. lives a lavish lifestyle that could not be supported by his/her salary and background; and
- iv. frequently overrides internal controls or established approval authority or avoid policy.

### 10.7.9 Suspicious activity in an FI setting

Some typical examples of activity of a customer in relation to suspicious transactions towards ML/TF using setting of financial institution:

- i. request of early encashment;
- ii. a DPS (or whatever) calling for the periodic payments in large amounts; and
- iii. lack of concern for significant tax or other penalties assessed when cancelling a deposit.

## Chapter 11: Reporting cash transaction report (CTR)

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AFPLC will follow the followings regarding CTR reporting:

1. in case of cash deposit or cash withdrawal and online cash deposit or any other online deposit or withdrawal in a particular account in a particular day, the transaction amount is Tk.10.00 lac and more through one or more transactions in a single/individual account, concerned officer will send a report to Central Compliance Unit (CCU) in Head Office by the end of the 1<sup>st</sup> week of subsequent month for onward submission of the same to BFIU within 21<sup>st</sup> day of the corresponding next month using goAML web of BFIU;
2. the DCAMLCO/BAMLCO will analyze the CTR(s) meticulously before reporting the same to CCU to identify any suspicious transaction or activity. If something is found suspicious or unusual they will send it to CCU members for scrutiny and upward reporting as STR. If the CCU, after review, discovers any transection/s as suspicious/unusual they shall direct to the responsible officer to report the account/s as STR using “**Annexure-E**” of the AML/CFT Guidelines or the Master Circular No.28, dated: May 30, 2023 of BFIU;
3. in case, if they don't find anything suspicious/unusual CTR report to be completed stating that “we have checked and didn't find anything suspicious in the CTR” through the Message Board of the goAML web;
4. the Head Office as well branch/es will preserve the CTR report, if any, on monthly basis;
5. the Head Office as well branch/es will keep record of the CTR at least for 5(five) years from the date of the reporting; and
6. in case of cash deposits of Government (including ministry and division) account, Government owned Organization, Semi-Government or Autonomous Organization CTR report is not applicable but in case of withdrawal the same shall be applicable.

## **ALLIANCE FINANCE PLC**

### **Chapter 12: Record keeping**

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#### **12.1 Statutory requirement**

In terms of section 25(1)(b) of Money Laundering Prevention (Amendment) Act, 2015, FATF Recommendation no.11, and BFIU guidelines, AFPLC requires to preserve previous records of transactions of closed account (s) for at least 5(five) years from the date of closure. This will enable AFPLC to comply swiftly with information requests from the competent authorities. Such records must be sufficient to permit reconstruction of individual transactions so as to provide, if necessary, evidence for prosecution of criminal activity. However, documents of accounts under investigation or litigation shall be kept till the issue is resolved.

Records relating to verification of identity generally comprise the followings:

- i. a description of the nature of all the evidence received relating to the identity of the verification subject; and
- ii. the evidence itself or a copy of it or, if that is not readily available, information reasonably sufficient to obtain such a copy.

Records relating to transactions generally comprise the followings:

- i. details of personal identity, including the names and addresses, etc. pertaining to:
  - a. the customer;
  - b. the beneficial owner of the account or product;
  - c. the non-account holder conducting any significant one-off transaction; and
  - d. any counter-party.
- ii. details of transaction including:
  - a. nature of transactions;
  - b. volume of transactions, customer's instruction(s) and authority;
  - c. source/s of funds;
  - d. destination/s of funds;
  - e. book entries;
  - f. date of the transaction;
  - g. form in which funds are offered and paid out;
  - h. parties to the transaction; and
  - i. identity of the person who conducted the transaction on behalf of the customer.

As per the Money Laundering Prevention (Amendment) Act, 2015, the records of identities of customers shall have to be kept for at least 5(five) years from the date when the relationship with the customer has ceased. This is the date of:

- a. closing of an account; or
- b. providing of any financial services; or
- c. carrying out of the one-off transaction; or
- d. ending of the business relationship; or
- e. commencement of proceedings to recover debts payable on insolvency.

#### **12.2 Retrieval of records**

The relevant records of the customers must be maintained in a systematic manner as prescribed in prevailing domestic as well relevant international legislative requirement. The Company thus may retrieve easily and provide the customer's information or customer's transaction record without any delay to the regulatory body, law enforcing authority or for the purpose of internal use.



### **12.3 STR /SAR/CTR and investigation records**

AFPLC should not destroy any STR/SAR/CTR related records of customer or transaction without the consent of the Bangladesh Financial Intelligence Unit (BFIU) where: (1) Company has submitted a report of suspicious transaction; or (2) it is known that a customer or any transaction is under investigation, even after expiration of the maximum preservation period of 12 (twelve) years as per law or conclusion of the case, as the case may be. To ensure the preservation of such records AFPLC should maintain a register or tabular records of all investigations and inspection made by the investigating authority or BFIU and all disclosures to the BFIU. The register should be kept separate from other records and contain as a minimum the following details:

- i. the date of submission and reference of the STR/SAR/CTR;
- ii. the date and nature of the enquiry;
- iii. the authority who made the enquiry, investigation with reference; and
- iv. details of the account(s) involved.

### **12.4 Training records**

AFPLC shall maintain training records which include:

- i. details of the content of the training programs provided;
- ii. the names of staff who have received the training;
- iii. the date/duration of training;
- iv. the results of any testing carried out to measure staffs understanding of the requirements; and
- v. an on-going training plan.

### **12.5 Branch level record keeping**

To ensure the effective monitoring and demonstrate compliance with the concerned regulations, AFPLC shall have to ensure the keeping or availability of the following records at the Head Office and/or branch level either in hard form or electronic form:

- i. information regarding Identification of the customer;
- ii. KYC information of a customer;
- iii. transaction report;
- iv. STR/SAR/CTR generated from the Head Office/branch;
- v. exception report;
- vi. training record; and
- vii. return submitted or information provided to the Head Office or competent authority.

### **12.6 Sharing of record/information**

Financial Institutions shall share account related information only to the investigating agency as mentioned in the para 2 (১) of the Money Laundering Prevention (Amendment) Act, 2015.

## **ALLIANCE FINANCE PLC**

### **Chapter 13: Non face to face customer**

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#### Definition

Non-face-to-face account opening refers to a situation where the customer is not interviewed and the signing of account opening forms and identification of documents of the customer are not conducted in the presence of concerned officer of a financial institution.

### **Chapter 14: Statement of compliance**

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AFPLC should obtain a “Statement of Compliance” on prevention of money laundering and combating terrorist financing from its all employees. Such statement should be duly signed by respective employee and preserved in the employees’ personal files.

In the statement of compliance, every employee should solemnly declare and confirm that as an employee of AFPLC:

- i. have read the Company’s Guidelines on “Prevention of Money Laundering and Combating Terrorist Financing”; as well as circulars/directives of Bangladesh Financial Intelligence Unit (BFIU) and Government’s Acts on Anti-Money Laundering and Anti-Terrorism and understood the implications thereof;
- ii. shall comply the applicable laws and regulations and corporate ethical standards;
- iii. shall comply with all the rules and regulations in the normal course of my assignments. It is my responsibility to become familiar with the rules and regulations that relate to my assignment; and
- iv. shall be held responsible for carrying out compliance responsibilities on prevention of Money Laundering and combating Terrorist Financing meticulously.

CAMLCO should also ensure that all new employees of the Company shall read this policy, understand the implications there of and sign the “Statement of Compliance”. After signing off, it should be sent to HR for preservation in the newly appointed employee’s personal file.

### **Chapter 15: Confidentiality of information**

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All information generated, exchanged or provided with any personnel of the Company in the context of ML/TF must be on strict controls and safeguards to ensure that the information is used only in an authorized manner, consistent with provisions of regulation of the Government and Bangladesh Financial Intelligence Unit (BFIU).

**15.1 Restriction on sharing of record/information as per Money Laundering Prevention (Amendment) Act, 2015 and Anti-Terrorism (Amendment) Act, 2013**

- i. Any person, institution or agent empowered under these Acts shall refrain from using or divulging any information collected, received, retrieved or known by the person, institution or agent during the course of employment or appointment, or after the expiry of any contract of service or appointment for any purpose other than the purposes of these Acts.
- ii. Financial Institutions shall share account related information only to the investigating agency as mentioned in the para 2 (ঙ) of the Money Laundering Prevention (Amendment) Act, 2015. As per para 2 (ঙ) of the Money Laundering Prevention (Amendment) Act, 2015 “Investigating Agency” means –

তদন্তকারী সংস্থা অর্থ এই আইনের অন্য কোন বিধানে ভিন্নরূপ কোন কিছু না থাকিলে,-

(অ) দফা (শ) এ বর্ণিত সম্পৃক্ত অপরাধ তদন্তের জন্য সংশ্লিষ্ট আইনে ক্ষমতাপ্রাপ্ত তদন্তকারী সংস্থা: তবে শর্ত থাকে যে, যে সকল সম্পৃক্ত অপরাধ বাংলাদেশ পুলিশ কর্তৃক তদন্তযোগ্য তাহা বাংলাদেশ পুলিশের অপরাধ তদন্ত বিভাগ (criminal investigation department) কর্তৃক তদন্ত করিতে হইবে;

(আ) সরকারের সহিত পরামর্শক্রমে বাংলাদেশ ফাইন্যান্সিয়াল ইন্টেলিজেন্স ইউনিট কর্তৃক ক্ষমতাপ্রাপ্ত উপ-দফা (অ) এ উল্লিখিত এক বা একাধিক তদন্তকারী সংস্থা।

**15.2 Penalties for divulging information**

Section 6 of Money Laundering Prevention (Amendment) Act, 2015: If any person, institution or agent empowered under this act divulges any information collected, received, retrieved or known by the person, institution or agent during the course of employment or appointment, or after the expiry of any contract of service or appointment for any purpose other than the purpose of this act shall be punished with imprisonment for a term not exceeding 2(two) years or a fine not exceeding Taka 50(fifty) thousand or with both.

# Combating the Financing of Terrorism

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## 1. Introduction

Terrorist Financing has become a massive threat in recent years. As such, terrorist financing has become a great concern for all countries in the world. It is widely acknowledged to be an essential component of terrorist activity as terrorists are able to facilitate their activities only, if they have the financial resources to do so. The consequences of terrorist activities are tremendous and devastating. So, combating financing of terrorism is indispensable for the economy and also for the security of our country. The Government of Bangladesh has given top most priority to this issue. As such, Anti-Terrorism (Amendment) Act, 2013 was enacted by the Parliament of the People's Republic of Bangladesh, which has already been amended in 2012 and 2013. The Act has been effective from the June 11, 2008. In the Anti-Terrorism (Amendment) Act, 2013 terrorist financing has been termed as criminal activity and the role of Financial Institutions (FIs) to fight against financing of terrorism has been specified. It is considered that the fight against financing of terrorism is a combined effort and policy has been drawn accordingly.

## 2. What is terrorist financing

As per Section 7 of Anti-Terrorism (Amendment) Act, 2013:

1. 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;
  - 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.
2. Conviction for terrorist financing shall not depend on any requirement that the fund, service or any other property mentioned in sub-section (1) was actually used to carry out or direct or attempt to carry out a terrorist act or be linked to a specific terrorist act.
3. If any person is convicted of any of the offences mentioned in sub-section (1), the person shall be punished 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.
4. If any entity is convicted of any of the offences mentioned in the sub-section (1)-
  - a. steps may be taken against the entity in accordance with section 18 and in addition to that a fine equivalent to thrice the value of the property involved with the offence or of Taka 50(fifty) lac, whichever is greater, may be imposed; and
  - b. the head of that entity, whether he is designated a Chairman, Managing Director, Chief Executive or by whatever name called, shall be punished with rigorous imprisonment for a term no 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 of Taka 20(twenty) lac, whichever is greater, may be imposed 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 the said offence.

### **3. International requirement on combating TF and proliferation of weapons of mass destruction**

United Nations Security Council Resolution (UNSCR) 1267 and 1373 have been adopted under Article VII of UNSCR charter, which means these resolutions are obligatory for every jurisdiction. Accordingly, BFIU instructed FIs to take necessary action on UNSCR 1267 and 1373; banned list of Bangladesh Government by their master circular#28/2023 to:

- i. introduce a Board approved policy regarding prevention of financing of terrorism and proliferation of weapons of mass destruction;
- ii. instruct all concerned employees about their responsibilities and review the instruction, when necessary;
- iii. introduce a software to keep records of updated lists of terrorists of UNSCR 1267 and 1373 or of Bangladesh government;
- iv. monitor regularly the terrorists list of UNSCR or of Bangladesh Government to monitor whether any account, directly or indirectly, maintaining with AFPLC. If so, shall require to be reported directly to Bangladesh Financial Intelligence Unit (BFIU) without delay; and
- v. stop transaction of account of any person or entity whose names are listed with UNSCER 1373 and banned list of Bangladesh Government and inform BFIU immediately.

In a nutshell, to comply with this direction AFPLC should require to monitor the UN sanction list and Bangladesh Government's banned list against ML/TF regularly and if any account or transaction is found to have any connection with the lists, shall have to inform BFIU immediately.

### **4. The link between ML and TF**

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.

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 to organizations, such as foundations or charities that, in turn, are utilized to support terrorist activities or terrorist organizations.

### **5. Why AFPLC must combat financing of terrorism**

1. Financing of Terrorism was termed as criminal activity 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 measures to detect, deter and freeze terrorists' assets. The resolutions oblige all countries to deny financing, support and safe harbor for terrorists.

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2. Bangladesh has been 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 40 recommendations for AML/CFT in the year, 2012. So, AFPLC must be involved in international efforts to CFT.
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 often payment for safe heaven protection. So, to root out terrorism, AFPLC must stop the flow of funds.
4. The consequences of allowing the financial system to facilitate the movement of terrorist money are so terrible that every effort must be made to prevent this from happening. So CFT is not only the regulatory requirement but also an act of self-interest.

### **6.Purpose of the policy**

Both ML and TF have been identified as major threats to the financial services community. The management of AFPLC has recognized prevention of ML and combating TF as a team effort. This section outlines policies, procedures and measures to be taken for combating financing of terrorism.

### **7.Policy statement**

Pursuant to the Money Laundering Prevention (Amendment) Act, 2015 and Anti-Terrorism (Amendment) Act, 2013, the Bangladesh Financial Intelligence Unit (BFIU) has issued a Master Circular No. 28, dated: May 30, 2023 elaborating the responsibilities of FIs to prevent ML/ combat TF.

As such, AFPLC is committed to implement the provisions of the Anti-Terrorism (Amendment) Act, 2013, and also the guidelines and instructions issued by BFIU from time to time in respect of transaction monitoring systems and operational processes.

AFPLC is committed to assist and co-operate with the relevant law enforcement authorities, the BFIU whenever possible and to the fullest extent possible as per sub section 3 of section 15 of Anti-Terrorism (Amendment) Act, 2013.

It is the policy of AFPLC to adhere to all of the provisions of Anti-Terrorism (Amendment) Act, 2013 and other regulations by implementing this policy and subsequent procedures.

### **8.Enforcement**

The management of AFPLC is responsible for ensuring that the directives are implemented and administered in compliance with the approved policy. Changes to the policy will require approval by the Board of Directors. The Management of AFPLC is empowered to effect changes in operating procedures, standards, guidelines and technologies etc.

### **9.Exceptions to the policy**

Requests for exceptions to this policy must be specific and may only be granted on specific items, rather than to entire sections. Concerned executives shall communicate their requests with exceptions to the Managing Director/CEO.

## 10.Procedure

All financial institutions must be committed to combat TF. Guidelines on Prevention of Money Laundering are written in **Part-I** of the guidelines.

AFPLC believes that strict adherence to the existing AML Policy Guidelines provides basic AML controls which also serves as primary controls for detection and combating of TF. Therefore, in addition to the existing AML Policy Guidelines, the following extra due diligence and vigilance will be exercised to detect and combat TF.

Under direct control of the Chief Executive Officer of AFPLC, AMD/DMD/SEVP/EVP and all Head of Divisions on their part, Central Compliance Unit for Prevention of Money Laundering and Combating Terrorist Financing headed by CAMLCO, DCAMLCO, all Branch Manager/s, Branch Anti-Money Laundering Compliance Officers (BAMLCO), compliance officers and all other employees including contracted and outsourced staffs will be responsible for ensuring compliance with the Money Laundering Prevention (Amendment) Act, 2015 and the Anti-Terrorism (Amendment) Act, 2013 and relevant directives/circulars of Bangladesh Financial Intelligence Unit (BFIU) in this regard.

## 11.General procedures for Customer Due Diligence (CDD)/Know Your Customer (KYC)

- 1.The uniform account opening form and KYC profile is the integral part of establishing account relationship. They are mandatory and a vital reference point to all account relationship.
- 2.If any news regarding involvement in terrorist financing is published in any reliable online/offline newspaper, then upon suspending/stopping the financial transaction of the suspected person, AFPLC shall immediately submit the account related information & supporting documents of that account holder to BFIU. In addition to that, financial transaction of associated person (if any) are to be monitored meticulously;
- 3.Electronic database containing the name of terrorists/groups declared by UN Resolution 1373 (2001), Bangladesh Government and foreign FIU shall be preserved centrally.
- 4.With regard to KYC/CDD, customer's risk assessment, record keeping and suspicious transaction reporting, concerned employees will follow the procedure as stated in the AML/CFT Guidelines.
- 5.As KYC/CDD is an important component of the AML/CFT process, the ongoing monitoring of individual transactions on customer accounts is crucial to improve the ability of the institution to detect criminal activities.
- 6.IT Division may develop automated systems and processes for classifying customers on the basis of the risk matrix provided by BFIU under new KYC Profile, monitoring transactions with the transaction profile provided by the customers & incorporating watch list as per UN Resolutions in software. These new systems will improve ability of the employees to detect unusual transactions, help the authorities to identify and respond to new money laundering and terrorist financing techniques.

7. DCAMLCO/Branch Manager/BAMLCO/Compliance Officer, as the case may be, will monitor customer's transaction regularly in order to identify suspicious transactions/activities related to both money laundering and terrorist financing. They will also oversee the day to day activities of the Branch and confirm compliance of the instructions of concerned authority.

## **12. Training and awareness of the employees**

AFPLC will continue to devote considerable resource to establish and maintain employees' awareness of the risks of TF, and their competence to identify and report relevant suspicions in this area. The company is dedicated to a continuous program of increasing awareness and training of employees' at all appropriate levels in relation to their knowledge and understanding of CFT issues, their respective responsibilities and the various controls and procedures introduced by AFPLC to combat TF.

## **13. Self-assessment**

This policy requires that appropriate and timely self-assessments, tests, audits and evaluations be conducted to ensure that AFPLC is in compliance with the CFT regulations. Each and every Branch shall assess their performance half yearly according to Master Circular No.28, dated: May 30, 2023 of Bangladesh Financial Intelligence Unit (BFIU). The shortcomings identified be overcome and complied within next quarter.

## **14. Independent testing procedures**

As per Master Circular No.28, dated: May 30, 2023, of Bangladesh Financial Intelligence Unit (BFIU) testing on CFT is to be conducted by the ICC department. While conducting the same, they should also look into, whether the directives of Anti-Terrorism (Amendment) Act, 2013; and BFIU's directives issued from time to time in this respect are followed meticulously by the Branches.

Mentionable that Compliance of CFT is the responsibility of each employee of AFPLC. Therefore, all guidelines related to AML/CFT be updated as and when required and circulated and ensured that all employees are aware of the Anti-Terrorism (Amendment) Act, 2013, internal guidelines and other policies and procedures.

## **15. Monitoring**

AFPLC shall effectively reciprocate monitoring of procedures and controls that meet the requirements of AFPLC's policy, standards and Rules and Regulations under Anti-Terrorism (Amendment) Act, 2013.

### **15.1 Monitoring process**

Appropriate monitoring program for the activities and transactions routed through the customer's account should be instituted. Depending on the type and nature of the account, AFPLC may fix/set specific threshold to identify the customer activities that do not appear to commensurate with the customer's business activities.

### **15.2 Suspicious transaction/activity report (STR/SAR):**

When there is a suspicion that funds are linked to terrorist financing, concerned officer will submit identified suspicious transaction/activity to their respective DCAMLCO, BAMLCO and Compliance Officer. They shall send a copy of the same with comments through the Branch Manager to CAMLCO without any delay. The STRs/SARs must be reported to Bangladesh Financial Intelligence Unit (BFIU) within shortest possible time



## ALLIANCE FINANCE PLC

after due verification through CCU. Utmost secrecy must be maintained while submitting STRs/SARs as per directives of BFIU. Internal reporting format has been given in the AML/CFT guidelines as “Annexure-I” for reporting to BFIU.

### 16.Responsibilities

The management of AFPLC shall take necessary measures, with appropriate caution and responsibility, to prevent and identify financial transactions which are connected to any offence under the Anti-Terrorism (Amendment) Act, 2013 and shall report identified suspicious transaction/activity, if any, to Bangladesh Financial Intelligence Unit (BFIU) immediately.

The Board of Directors, or the Chief Executive Officer shall approve and issue directions regarding the duties of its officers and shall ascertain whether the directives issued by BFIU under section 15 of Anti-Terrorism (Amendment) Act, 2013, which are applicable to AFPLC as reporting agency, have been complied or not.

The responsibilities of the officials of AFPLC are presented below in tabular form for easy understanding and smooth implementation by the concerned employee/s:

Responsible Departments or Officials	Responsibilities
Officer in charge who is responsible for opening new accounts/making transaction	<ul style="list-style-type: none"> <li>a. To interview the potential customer;</li> <li>b. verify customer profile;</li> <li>c. to arrive at threshold limit for each account (new as well as existing) and to exercise due diligence in identifying suspicious transactions/activities;</li> <li>d. to restrict non opening of accounts in the name of terrorist/banned organizations;</li> <li>e. to adhere with the provisions of Anti-Terrorism (Amendment) Act, 2013; and</li> <li>f. to comply with the guidelines issued by Bangladesh Financial Intelligence Unit (BFIU) and by the company from time to time in respect of opening and conducting of account.</li> </ul>
Chief Risk Officer	To assess the TF risk involves in operating activities of the Company and to evaluate adequacy and effectiveness of the control mechanism set for safeguarding the company’s risks.
Head of Operations	<ul style="list-style-type: none"> <li>a. To scrutinize and ensure that the information furnished in the account opening form/customer profile/threshold limit are in strict compliance with AML/CFT Guidelines before authorizing opening of account; and</li> <li>b. to certify regarding compliance with AML/CFT Guidelines and report suspicious transactions to CAMLCO/CEO.</li> </ul>
Internal Auditor	To verify and record his comments on the effectiveness of measures taken by the concerned officials and the level of implementation of AML/CFT Guidelines.

Responsible Departments or Officials	Responsibilities
CAMLCO	<ul style="list-style-type: none"> <li>a. To implement and enforce Company’s CFT policies;</li> <li>b. send to STR/SAR/CTR to Bangladesh Financial Intelligence Unit (BFIU);</li> <li>c. to inform DCAMLCO/BAMLCO required actions, if any, to be taken.</li> </ul>
DCAMLCO	<ul style="list-style-type: none"> <li>a. To assist CAMLCO to implement and enforce Company’s CFT policies;</li> <li>b. send STR/SAR/CTR to Bangladesh Financial Intelligence Unit (BFIU) through CCU;</li> <li>c. ensuring flow of information to BAMLCO towards reporting to CAMLCO and CCU; and</li> <li>d. to assist CAMLCO to take other required actions, if any, to be taken.</li> </ul>
BAMLCO	<ul style="list-style-type: none"> <li>a. Ongoing monitoring of customer’s KYC profile/CDD/EDD and transaction activities;</li> <li>b. report STR/SAR/CTR through branch manager to CAMLCO/CCU;</li> <li>c. provide CFT training to branch employees while giving training on AML;</li> <li>d. communicate and update to all employees in case of any changes in national or Company’s own policies;</li> <li>e. organize a meeting with all executives/officers at least once after each quarter end as per Master Circular#28/2023 of Bangladesh Financial Intelligence Unit (BFIU); and</li> <li>f. submit Self Assessment Report to CAMLCO/CCU and ICC, as the case may be, on timely manner.</li> </ul>
Branch Manager	<ul style="list-style-type: none"> <li>a. Ensure that the CFT program is effective within the Branch;</li> <li>b. overall responsibility to ensure that the Branch has an effective CFT program in place and that it is working effectively.</li> </ul>
Top Management	Prompt reporting of information regarding STR/SAR/CTR to concerned law enforcing authority in consultation with the competent authority/ies.
CEO	Overall responsibility to ensure that AFPLC has CFT program in place and that it is working effectively.

However appropriate disciplinary action will be initiated against the delinquent official for violation of this policy.

**17.Customer acceptance policy**

Pursuant to the above legal bindings, Guidance Notes issued by Bangladesh Financial Intelligence Unit (BFIU) on AML/CFT and Global standards, AFPLC has developed the Customer Acceptance Policy as stated at “Annexure-I”.

**18. Penalties for non-compliance of Anti-Terrorism (Amendment) Act, 2013**

- (a) According to section 16(3), if any reporting agency fails to comply with the directions laid down in section 16(1), the said reporting agency shall be liable to pay a fine determined and directed by Bangladesh Financial Intelligence Unit (BFIU) not exceeding Taka 25 (twenty five) lac and BFIU may suspend the registration or license of the organization or any of its branches, service centers, booths or agents for the purpose of closing its operation within Bangladesh, or shall inform the registration or licensing authority about the fact so that the relevant authority may take appropriate measures against the said organization.
- (b) According to section 16(4), if the Board of Directors, or in the absence of the Board of Directors (BoD), Chief Executive Officer (CEO), by whatever name called, of any reporting agency fails to comply with the directions laid down in section 16(2), the Chairman of the BoD, or the CEO in relevant cases shall be liable to pay a fine not exceeding Taka 25 (twenty five) lakh and BFIU can terminate the person from the position or in relevant cases shall inform the relevant authority about the issue to take proper steps against him/her.
- (c) According to section 16(5), if any reporting agency fails to pay or does not pay any fine imposed by BFIU under section 16(3), or if the Chairman of the Board of Directors, or the Chief Executive Officer, fails to pay or does not pay any fine imposed by BFIU under section 16(4), BB may recover the amount from the reporting agency or by debiting its account maintained in any bank or FI or BB and if any amount of fine remains unrealized or unpaid, BFIU may, if necessary, make an application to the concerned court for recovery.

**19. Schedule of Anti-Terrorism (Amendment) Act, 2013**

Three schedules have been annexed at the end of this ATA Policy as “**Schedule-1**”, “**Schedule-2**” and “**Schedule-3**” as prescribed in the Anti-Terrorism (Amendment) Act, 2013 and accordingly AFPLC shall pursue those for combating TF.

**“Schedule-1”**

[See clause (3A) of section 2 of Anti-Terrorism (Amendment) Act, 2013]

- a. Convention for the suppression of unlawful seizure of Aircraft done at the Hague on 16<sup>th</sup> December, 1970;
- b. Convention for the suppression of unlawful acts against the safety of Civil aviation, done at Montreal on 23<sup>rd</sup> September, 1971;
- c. Convention on the prevention and punishment of Crimes against internationally protected person, including diplomatic agents, adopted by the General Assembly of the United Nations on 14<sup>th</sup> December, 1973;
- d. International convention against the taking of hostages adopted by the General Assembly of the United Nations on 17<sup>th</sup> December, 1979;
- e. Convention on the physical protection of nuclear material, adopted at Vienna on 3<sup>rd</sup> March, 1980;
- f. Protocol for the suppression of unlawful acts of violence at airports serving International Civil Aviation, supplementary to the convention for the suppression of unlawful acts against the safety of Civil Aviation, done at Montreal on 24<sup>th</sup> February, 1988;
- g. Convention for the suppression of unlawful acts against the safety of maritime navigation, done at Rome on 10<sup>th</sup> March, 1988;
- h. Protocol for the suppression of unlawful acts against the safety of fixed platforms located on the continental shelf, done at Rome on 10<sup>th</sup> March, 1988;
- i. International convention for the suppression of terrorist bombings, adopted by the General Assembly of the United Nations on 15<sup>th</sup> December, 1997.

**“Schedule-2”**

[See section 18 of Anti-Terrorism (Amendment) Act, 2013]

1	2	3	4	5
Serial No.	Name of the entities	Address of the entities	Date of proscription	Remarks
01	Shahadat-e-Al Hikma party Bangladesh	House of Mizanur Rahman, Horogram, Natunpara bypass road, P.S. Rajpara, RMP, Rajshahi.	09-02-2003	
02	Jagrata Muslim Janata Bangladesh (JMJB)	No specific address	23-02-2005	
03	Jamatul Mujahedin	No specific address	23-02-2005	
04	Harkatul Jihad Al Islami	No specific address	17-10-2005	
05	Hizbut Tahrir Bangladesh	H.M. Siddique Manson, 55/A, Purana Palton, Dhaka and 201/C, Palton Tower (3rd Floor), 27 Purana Palton Lane	22-10-2009	
06	Ansarullah Bangla Team	No Specific Address Available	25/05/2015	
07	Ansar-Al-Islam	No Specific Address Available	12/02/2017	
08	Allahr Dol	No Specific Address Available	05/11/2019	
09	Jama'atul Ansar Fil Hindal Sharqiya	No Specific Address Available	09/08/2023	

**“Schedule-3”**

(See section 18 of Anti-Terrorism (Amendment) Act, 2013)

1	2	3	4	5
Serial No.	Name of the entities	Address of the entities	Date of proscription	Remarks

# **Annexures**

**Annexure-A**



অ্যালায়েন্স ফাইন্যান্স পিএলসি  
alliance finance plc

**KYC PROFILE FORM**

1. Name of the Depositor			
2. Type of Account & Number			
3. Account Holder's Name			
4. Name of Dealing Officer		5. Unique Customer ID No.	
6. Passport No.		Photocopy Received?	<input type="checkbox"/> Yes <input type="checkbox"/> No (if applicable)
7. Birth Registration No.		Photocopy Received?	<input type="checkbox"/> Yes <input type="checkbox"/> No (if applicable)
8. National Id No.		Photocopy Received?	<input type="checkbox"/> Yes <input type="checkbox"/> No (if applicable)
9. ETIN No.		Photocopy Received?	<input type="checkbox"/> Yes <input type="checkbox"/> No (if applicable)
10. VAT Registration No.		Photocopy Received?	<input type="checkbox"/> Yes <input type="checkbox"/> No (if applicable)
11. Driving License No.		Photocopy Received?	<input type="checkbox"/> Yes <input type="checkbox"/> No (if applicable)

**12. Information of Beneficial Owner** (In case of company, KYC profile form of the individual shareholder who hold 20% or more share to be done upon collecting detailed information. Moreover, KYC profile form of the controlling shareholder to be done upon collecting detailed information, in case of individual account, if source of fund of the account is a person [Beneficiary Owner who is separate from the account holder, KYC profile of the Beneficiary owner is to be done.]

**13. What is source of Fund? How it was verified (If Applicable):**

**14. Does the deposited amount match with Customer's declared income level:**

**15. Is the source of deposit amount consistent with the Customer's profession:**

**16. Risk Category on Profession/Business:**

Sl	Nature	Risk Level	Score	Sl	Nature	Risk Level	Score
1	Jewellery /Gold Business	High	5	11	Cinema Producer/Distributor	High	5
2	Money Changer	High	5	12	Arms Business	High	5
3	Real Estate Agent/ promoter of Construction Project	High	5	13	Mobile Phone Operator	High	5
4	Offshore Corporation	High	5	14	Man power Export Business	High	5
5	Art/Antique Dealer	High	5	15	Travel Agent	High	5
6	Owner of Restaurant/Bar/Night Club/ Residential Hotel	High	5	16	Auto Dealer (Reconditioned Car)	High	5
7	Import/Export Agent	High	5	17	Director/Partner/Share Holder	High	5
8	Cash Financing Business	High	5	18	Carrying Operator/Courier service agent	High	5
9	Share/Stock Dealer	High	5	19	Insurance/Brokerage agency	High	5
10	Business in different places	High	5	20	Religious organization	High	5



SI	Nature	Risk Level	Score	SI	Nature	Risk Level	Score
21	Amusement Park/Organization	High	5	35	Shop Owner (Retail)	Low	1
22	Tobacco and Cigarette business	High	5	36	Provident/Gratuity Fund/WPPF	Low	1
23	Freight/Shipping/Cargo Agents	High	5	37	Small Business	Low	1
24	Land/Property broker	High	5	38	Self employed Professional	Low	1
25	NGO/NPO/Trust/Foundation	High	5	39	Land Lord/Lady	Low	1
26	Construction Material Business	High	5	40	Retired Person	Low	1
27	Motor Parts Business	Medium	4	41	Service/Job	Low	1
28	Auto Business (New Car)	Medium	4	42	Housewife	Low	1
29	Corporate Customer	Medium	4	43	Student	Low	1
30	Computer/Mobile Phone Dealer	Medium	4	44	Farmer/Agriculturist	Low	1
31	Software business/IT Firm	Medium	4	45	Others-According to type, FI will fix risk rating		
32	Manufacturer (Except Arms)	Medium	4				
33	Rent-a-Car	Medium	4				
34	Leasing/Finance Company/Bank	Medium	4				

**17. Risk Categorization:**

Based on net worth

Amount in BDT	Risk Level	Risk Rating
Up to BDT 50 Lac	Low	0
BDT 50 Lac- BDT 1 Crore	Medium	1
> BDT 1 Crore	High	3

Based on type of account opening

Type	Risk Level	Risk Rating
Relationship Manager	Low	0
Direct Sales Agent	Medium	1
Internet/Walk in/Unsolicited	High	3

How was the Account Opened?

Ans.	Mode (BDT)	Risk Level	Risk Rating
<input type="checkbox"/>	Below 50 Lac	Low	0
<input type="checkbox"/>	50 Lac to 5 Crore	Medium	1
<input type="checkbox"/>	Above 5 Crore	High	3

Total Exposure of the Client

Ans.	Amount (BDT)	Risk Level	Risk Rating
<input type="checkbox"/>	Upto 10 Lac	Low	0
<input type="checkbox"/>	Above 10 Lac But Below 50 Lac	Medium	1
<input type="checkbox"/>	Above 50 Lac	High	3

Overall Risk Assessment

Ans.	Total Risk Rating	Risk Assessment
<input type="checkbox"/>	Equal to 14 or above	High
<input type="checkbox"/>	Below 14	Low

Total Score \_\_\_\_\_ Out of 14

18. Has the address of the customer been verified?  Yes  No

If yes, then how it has been verified?

19. Is the client a politically exposed person?  Yes  No

If Yes,

A. Has the approval of Senior Management been taken?  Yes  No

B. Mention the source of wealth  Yes  No

C. Has face-to-face interview with the customer been taken?  Yes  No

**R.M.'s Signature with Seal & Date**

20. E-KYC Status  Completed  Pending  Others

In the case of special approval (if necessary) Comments :

Approver's Signature with Seal & Date

Reviewer Signature, Seal & Date

CAMLCO/BAMELCO/Branch Manager Signature & Date



## Annexure-B



**Alliance Finance PLC**  
Corporate Head Office  
Laila Tower (Level 10), 8 South Gulshan Avenue, Dhaka - 1212

Help Line:  
Phone: 02 222280410-411  
Fax: 02222263413  
Email: [info@alliancefinanceplc.com](mailto:info@alliancefinanceplc.com)  
Web: [www.alliancefinanceplc.com](http://www.alliancefinanceplc.com)

MR.-----  
Address-----

### Welcome to Alliance Finance PLC

**Dear Valued Customer:**

On behalf of Alliance Finance PLC we would like to take this opportunity to welcome you as our new customer. We are delighted to have you with us.

We hope you have already received your FDR receipt from Alliance Finance PLC . This letter is to re confirm if all important information is recorded in our system as per your instruction. Please go through the information provided below and contact centralized customer service unit at 0000000 or [info@alliancefinanceplc.com](mailto:info@alliancefinanceplc.com) if you find any discrepancy or want any clarification.

Particulars	Deposit Information	Particulars	Customer Information
Product Name	-	Account No	XXXXXXXX
Opening Date	DD/MM/YY	Maturity Date	DD/MM/YY
Deposited Amount	0	Benefit Amount	0
Benefit Period	0	TIN/E TIN	0
Mobile No	XXXXXX	E mail	XXXXX
Phone No	XXXXX	Identity No	XXXXXXXX (NID)

[Please Note that, Income tax at source will be deducted 15% instead of 10% if E TIN certificate is not available]

At Alliance Finance PLC we pride ourselves on providing our customers with responsive, competent and excellent service. Our customers are the most important part of our business and we work tirelessly to ensure your complete satisfaction.

We also enclose the important terms and conditions governing your deposit overleaf. Once again, thank you for entrusting Alliance Finance PLC with your business needs.

Sincerely Yours

Authorized Signatory

**Annexure-C**

**Alliance Finance PLC**  
**Lalla Tower, 8 South Gulshan Avenue, Dhaka-1212**  
**Customer Due Diligence (CDD) Form:**

<b>Account Number</b>	
<b>Branch Name</b>	
<b>Title of Account</b>	
<b>Account open Date</b>	
<b>Specific Nature &amp; Category of Customer</b>	

<b>Sl. No.</b>	<b>Assessment</b>	<b>Remarks</b>
1.	Transection Reviewed	
2.	Customer Identifications	
3.	Business Type	
4.	Customer Company Profile	
5.	Red Flagged	
6.	Company Profile	
7.	Business Practice	

<b>Prepared By</b>		<b>Reviewed &amp; Approved By</b>	
<b>Name</b>		<b>Name</b>	
<b>Date</b>		<b>Date</b>	
<b>Signature</b>		<b>Signature</b>	

**Annexure-D**

**Alliance Finance PLC**  
**Laila Tower, 8 South Gulshan Avenue, Dhaka-1212**

**Enhance Due Diligence Form (EDD):**

<b>Account Number</b>	
<b>Branch Name</b>	
<b>Title of Account</b>	
<b>Account open Date</b>	
<b>Specific Nature &amp; Category of Customer</b>	

SL No.		Yes	No/NA
1.	Since how Many Years, customer is engaged in this Business?		
2.	Briefly Explain Customer’s Business profile (i.e., in which good/service customer deals in?)		
3.	Provide the type of customer’s major buyers, suppliers, vendors, counterparties etc. a. _____ b) _____ c) _____ d) _____		
4.	Provide the name of major cities/ countries where customer deals in: a. _____ b) _____ c) _____ d) _____		
5.	Has Branch physically verified the place of business / office of the customer through the site visit?		
6.	Is Beneficial owner of the account other than the customer?		
7.	If yes in above, provide the billow mentioned information regarding beneficial owner of the account. Name: _____ Identity Number: _____ Relationship with customer: _____		
8.	Is account operated by other than the customer?		

9.	If Yes in the above, provide the below mentioned information of mandate/authorized signatory: Name: _____  Identity Number: _____  Relation Ship With customer: _____									
10.	Is the customer referred by AFPLC Staff? <table border="1" style="float: right; width: 100px; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> </table>									
11.	If yes in above, provide the following information of the AFPLC staff:  Name: _____  Designation: _____  Posted at: _____									
12.	Name of the customer(s)/ mandate/Authorized signatories have been filtered out thorough AFPLC screening system against UNSC list? <table border="1" style="float: right; width: 100px; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> </table>									
13.	Details of other accounts/financing facility availed by the customer from the bank: a) _____ b) _____  b) _____ c) _____									
14.	Provide of details of Allied Accounts of the Customer Below (If Any): <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 25%;">Account No.</th> <th style="width: 45%;">Title</th> <th style="width: 30%;">Relationship with Customer</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Account No.	Title	Relationship with Customer						
Account No.	Title	Relationship with Customer								
15.	Is Customer maintaining accounts with other banks? If Yes, provide the name of such bank & their branches: a) _____ b) _____  c) _____ d) _____									
16.	Branch comments:									

Prepared By		Reviewed & Approved By	
Name		Name	
Date		Date	
Signature		Signature	

**SUSPICIOUS TRANSACTION REPORT (STR) FORM**

**A. Reporting Institution :**

1. Name of the FI:
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 and ref. no

**C. Suspect Account Details :**

1. Account Number:
2. Name of the account:
3. Nature of the account:
4. Nature of ownership:   
(Individual/proprietorship/partnership/company/other, pls. specify)
5. Date of opening/Transaction:
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 mention in sl. no. D1
  3. Address:
  4. Profession:
  5. Nationality:

6. Other account(s) number(if any):	<input type="text"/>
7. Other business:	<input type="text"/>
8. Father's name:	<input type="text"/>
9. Mother's Name:	<input type="text"/>
10. Date of birth:	<input type="text"/>
11. Place of birth:	<input type="text"/>
12.Passport No.	<input type="text"/>
13.National Identification No.	<input type="text"/>
14. Birth Regoistration No.	<input type="text"/>
15. TIN:	<input type="text"/>

**E. 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 BAMLCIO]*

**F. Suspicious Activity Information**

Summary characterization of suspicious activity:

- |   |  |  |
|---|--|--|
| a. <input type="checkbox"/> Corruption and bribery              | k. <input type="checkbox"/> murder, grievous physical injury                               | u. <input type="checkbox"/> terrorism or financing in terrorist activities                         |
| b. <input type="checkbox"/> counterfeiting currency             | l. <input type="checkbox"/> trafficking of women and children                              | v. <input type="checkbox"/> adulteration or the manufacture of goods through infringement of title |
| c. <input type="checkbox"/> Counter feiting deeds and documents | m. <input type="checkbox"/> black marketing  | w. <input type="checkbox"/> offences relating to the environment                                   |
| d. <input type="checkbox"/> extortion                           | n. <input type="checkbox"/> smuggling of domestic and foreign currency                     | x. <input type="checkbox"/> sexual exploitation  |
| e. <input type="checkbox"/> fraud                               | o. <input type="checkbox"/> Theft or robbery or dacoity or piracy or hijacking of aircraft | y. <input type="checkbox"/> insider trading and market manipulation                                |
| f. <input type="checkbox"/> forgery                             | p. <input type="checkbox"/> human trafficking  | z. <input type="checkbox"/> organized crime, and participation in organized criminal groups        |

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- |  |   |                                 |
|--|---|---------------------------------|
| g. <input type="checkbox"/> illegal trade of firearms  | q. <input type="checkbox"/> dowry   | aa. racketeering                |
| h. <input type="checkbox"/> illegal trade in narcotic drugs, psychotropic substances and substances causing intoxication | r. <input type="checkbox"/> smuggling and offences related to customs and excise duties | bb. Other(Please _____ specify) |
| i. <input type="checkbox"/> illegal trade in stolen and other goods  | s. <input type="checkbox"/> tax related offences  |                                 |
| j. <input type="checkbox"/> kidnapping, illegal restrain and hostage taking  | t. <input type="checkbox"/> infringement of intellectual property rights                |                                 |

G. Transaction/Attempted Transaction Details:			
Sl. no.	Date	Amount	Type*

H. Has the suspicious transaction/activity had a material impact on or otherwise affected the financial soundness of the FI? Yes  No

I. Has the FI taken any action in this context? If yes, give details.

J. Documents to be enclosed
1. Account opening form along with submitted documents
2. KYC Profile
3. Account statement for last one year
4. Supporting Voucher/correspondence mention in sl. no. H
5. Others

Signature :  
 (CAMLCO or authorized officer of CCU)  
 Name :  
 Designation :  
 Phone :  
 Date :

Annexure-F

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আর্থিক প্রতিষ্ঠানের নাম

----- শাখা।

শাখা কর্তৃক Self Assessment পদ্ধতির মাধ্যমে নিজস্ব অবস্থান নির্ণয়

প্রতিটি আর্থিক প্রতিষ্ঠানের শাখা মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ে বিদ্যমান আইন, বিধিমালা, বিএফআইইউ কর্তৃক সময় সময় জারীকৃত নির্দেশনা ও প্রতিষ্ঠানের নিজস্ব মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ নীতিমালার আলোকে নিম্নবর্ণিত প্রশ্নমালার বিস্তারিত উত্তর প্রদানের মাধ্যমে Self Assessment পদ্ধতিতে নিজেদের অবস্থান নির্ণয় করবে :

প্রশ্নমালা	যাচাইয়ের মানদণ্ড	শাখার বর্তমান অবস্থা	গৃহীত কার্যক্রম বা সুপারিশ
১. শাখায় মোট কর্মকর্তার সংখ্যা কত (পদানুযায়ী)? কতজন কর্মকর্তা মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ক আনুষ্ঠানিক প্রশিক্ষণ গ্রহণ করেছেন? (শতকরা হার)	প্রশিক্ষণ সংক্রান্ত রেকর্ড যাচাই করতে হবে।		
২. ক) শাখার মানিলভারিং প্রতিরোধ পরিপালন কর্মকর্তা (BAMLCO) জ্যেষ্ঠ ও অভিজ্ঞ কিনা? বিগত দুই বছরে তিনি মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ক কোন প্রশিক্ষণ পেয়েছেন কি না? খ) শাখায় মানিলভারিং প্রতিরোধ কার্যক্রম যথানিয়মে পরিপালিত হচ্ছে এ বিষয়টি নিশ্চিত হওয়ার লক্ষ্যে BAMLCO নির্দিষ্ট ও গ্রহণযোগ্য সময় পর পর এবং কার্যকর প্রক্রিয়ায় তদারকি ও পর্যালোচনা করে থাকেন কিনা?	BAMLCO কর্তৃক KYC কার্যক্রমের যথার্থতা তদারকি করা হয় কিনা? যথাযথভাবে লেনদেন পরিবীক্ষণ এবং সন্দেহজনক লেনদেন প্রতিবেদন দাখিল (ইন্টারনাল রিপোর্টসহ) করা হয় কিনা? যথাযথভাবে রেকর্ড সংরক্ষণ করা হয় কিনা? STR সনাক্তকরণে ব্যবস্থা নেয়া হয় কিনা?		
৩. BAMLCO সহ শাখার কর্মকর্তাগণ মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ে বিদ্যমান আইন, বিধিমালা, বিএফআইইউ কর্তৃক সময় সময় জারীকৃত নির্দেশনা ও ব্যাংকের নিজস্ব মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ নীতিমালা সম্পর্কে অবহিত আছেন কি?	বিষয়টি যাচাইয়ের পদ্ধতি কী?		
৪. শাখা পর্যায়ে ত্রৈমাসিক ভিত্তিতে মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ক সভা অনুষ্ঠিত হয় কিনা?	সভার আলোচ্যসূচি সকলের অবগতির জন্য বণ্টন করা হয় কিনা? সভায় কী কী গুরুত্বপূর্ণ সিদ্ধান্ত গৃহীত হয়েছে? সভায় গৃহীত সিদ্ধান্ত কিভাবে বাস্তবায়িত হয়?		
৫. সকল প্রকার হিসাব খোলা ও লেনদেন পরিচালনার ক্ষেত্রে মানিলভারিং প্রতিরোধ আইন, সন্ত্রাস বিরোধী আইন এবং সময়ে সময়ে বিএফআইইউ কর্তৃক জারীকৃত নির্দেশনা অনুসারে গ্রাহক পরিচিতি সন্তোষজনকভাবে গ্রহণ করা হয় কিনা ?	গ্রাহক পরিচিতির যথার্থতা কিভাবে যাচাই করা হয়? কিভাবে তা শাখায় সংরক্ষণ করা হচ্ছে? KYC সম্পাদনকালে গ্রাহকের তহবিলের উৎস যাচাই করা হয় কিনা? হিসাবের প্রকৃত সুবিধাভোগী		



প্রশ্নমালা	যাচাইয়ের মানদণ্ড	শাখার বর্তমান অবস্থা	গৃহীত কার্যক্রম বা সুপারিশ
	(Beneficial Owner) সনাক্ত করা হয় কিনা এবং তা যাচাই এর প্রক্রিয়া সন্তোষজনক কিনা? উচ্চ ঝুঁকিবিশিষ্ট গ্রাহকদের ক্ষেত্রে ঝুঁকির নিরিখে অতিরিক্ত তথ্য (EDD) সংগ্রহ করা হয় কিনা?		
৬. ঝুঁকির ভিত্তিতে শাখা তাদের গ্রাহকদের শ্রেণিবিন্যাস/শ্রেণিকরণ করে কিনা?	করে থাকলে এ পর্যন্ত কতটি উচ্চ ঝুঁকি সম্পন্ন হিসাব শাখায় খোলা হয়েছে? এ ধরনের হিসাব খোলা ও পরিচালনার ক্ষেত্রে শাখা কী পদক্ষেপ গ্রহণ করেছে?		
৭. বিএফআইইউ কর্তৃক জারীকৃত নির্দেশনা এবং প্রতিষ্ঠানের নিজস্ব নীতিমালা অনুযায়ী মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন সংক্রান্ত ঝুঁকি প্রতিরোধে যথাযথ ব্যবস্থা গ্রহণ করা হয়েছে কি না?	এ বিষয়ক নিজস্ব নীতিমালা প্রণয়ন করা হয়েছে কিনা? হলে উক্ত নীতিমালা শাখায় কিভাবে বাস্তবায়িত হচ্ছে?		
৮. শাখা গ্রাহকের KYC Profile এর তথ্য বিএফআইইউ কর্তৃক জারীকৃত নির্দেশনা মোতাবেক নির্দিষ্ট সময় পর পর পুনঃমূল্যায়নপূর্বক হালনাগাদ করে কিনা?	কী পদ্ধতিতে এরূপ মূল্যায়ন সম্পাদিত হয়ে থাকে?		
৯. সন্ত্রাস বিরোধী আইন, ২০০৯ এর অধীন সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধের লক্ষ্যে শাখা কী ধরনের পদক্ষেপ গ্রহণ করেছে?	জাতিসংঘের নিরাপত্তা পরিষদের বিভিন্ন রেজুলেশনের আওতায় সন্ত্রাস, সন্ত্রাসী কার্য ও ব্যাপক ধ্বংসাত্মক অস্ত্র বিস্তারে অর্থায়নে জড়িত সন্দেহে তালিকাভুক্ত কোনো ব্যক্তি বা সত্তা এবং বাংলাদেশ সরকার কর্তৃক তালিকাভুক্ত কোনো ব্যক্তি বা নিষিদ্ধ ঘোষিত সত্তার নামের তালিকা শাখায় সংরক্ষণ ও তদনুসারে হিসাব ও লেনদেন কার্যক্রম যাচাই করা হয় কিনা? শাখা এ বিষয়ক নিজস্ব কোনো Mechanism অনুসরণ করে কিনা? এরূপ কোনো ব্যক্তি বা সত্তার নামে শাখায় পরিচালিত হিসাবের (যদি থাকে) বিষয়ে বিএফআইইউ কে অবহিত করা হয় কিনা?		
১০. এ যাবৎ শাখা কর্তৃক কতগুলো সন্দেহজনক লেনদেন (STR) শনাক্ত করা হয়েছে?	শাখায় সন্দেহজনক লেনদেন চিহ্নিত করার কোনো পদ্ধতি অনুসরণ করা হয় কিনা? শাখায় সন্দেহজনক লেনদেন দাখিলের জন্য Internal Reporting		

পরিশিষ্ট- গ

প্রশ্নমালা	যাচাইয়ের মানদণ্ড	শাখার বর্তমান অবস্থা	গৃহীত কার্যক্রম বা সুপারিশ
	Mechanism চালু রয়েছে কিনা? শাখা পর্যায়ে নিম্নপত্রিকৃত Internal Report সংরক্ষণ করা হয় কিনা?		
১১. মানিলভারিং প্রতিরোধ আইন, সন্ত্রাস বিরোধী আইন, সার্কুলার, প্রশিক্ষণ রেকর্ড, বিবরণী ও অন্যান্য এএমএল/সিএফটি সংক্রান্ত বিষয়াবলির আলাদা নথি শাখা কর্তৃক সংরক্ষণ করা হয় কিনা? আইন, সার্কুলার ইত্যাদির কপি শাখার সকল কর্মকর্তা/কর্মচারীদের সরবরাহ করা হয় কিনা?	সংরক্ষিত হয়ে থাকলে হ্যাঁ অথবা না হয়ে থাকলে না, আংশিক হলে কী কী সংরক্ষিত আছে তা লিখুন।		
১২. বিএফআইইউ এর সার্কুলার অনুসারে শাখায় PEPs, প্রভাবশালী ব্যক্তি, আন্তর্জাতিক সংস্থার প্রধান বা উচ্চ পর্যায়ের কর্মকর্তার কোন হিসাব সংরক্ষণ করা হচ্ছে কিনা?	উত্তর হ্যাঁ হলে এই হিসাব খোলা ও পরিচালনার ক্ষেত্রে কী কী ধরনের সতর্কতা অবলম্বন করা হচ্ছে?		
১৩. আর্থিক প্রতিষ্ঠানের প্রধান কার্যালয়, বাংলাদেশ ব্যাংক ও বিএফআইইউ-এর পরিদর্শন প্রতিবেদনে উল্লেখিত মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ পরিপালন বিষয়ক দুর্বলতা/অনিয়মসমূহ নিয়মিত করা হয়েছে কিনা?	না হয়ে থাকলে প্রতিবন্ধকতাসমূহ কী কী?		

শাখা মানিলভারিং প্রতিরোধ পরিপালন কর্মকর্তার নামযুক্ত সীলসহ স্বাক্ষর ও তারিখ	শাখা ব্যবস্থাপকের নামযুক্ত সীলসহ স্বাক্ষর ও তারিখ
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অভ্যন্তরীণ নিরীক্ষা বিভাগ  
আর্থিক প্রতিষ্ঠানের নাম  
প্রধান কার্যালয়

**Independent Testing Procedure**  
**শাখা পরিদর্শনের চেকলিস্ট**

আর্থিক প্রতিষ্ঠানের অভ্যন্তরীণ নিরীক্ষা বিভাগ মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ে বিদ্যমান আইন, বিধিমালা, বিএফআইইউ কর্তৃক সময় সময় জারীকৃত নির্দেশনা ও প্রতিষ্ঠানের নিজস্ব মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ নীতিমালার আলোকে নিম্নলিখিত প্রশ্নমালার যথাযথ উত্তর (ডকুমেন্ট ভিত্তিক) অনুসারে স্কোর প্রদানপূর্বক শাখার মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ কার্যক্রমকে মূল্যায়ন করবে। অভ্যন্তরীণ নিরীক্ষা বিভাগ কর্তৃক শাখার উপর প্রণীত বার্ষিক নিরীক্ষা প্রতিবেদনে (প্রয়োজ্য ক্ষেত্রে পৃথক পরিদর্শন কর্মসূচির আওতায় শুধুমাত্র Independent Testing Procedure ভিত্তিক প্রতিবেদন প্রণীত হবে) মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ কার্যক্রম মূল্যায়ন সংক্রান্ত আলাদা অধ্যায়ে সমুদয় বিষয়াদি সুপারিশসহ সন্নিবেশ করবে।

(যাচাইয়ের মানদণ্ড অনুসারে সম্পূর্ণরূপে পরিপালিত হলে সম্পূর্ণ স্কোর, আংশিক পরিপালনে আংশিক স্কোর এবং উত্তর নেতিবাচক হলে শূন্য স্কোর প্রদান করতে হবে।)

ক্রমিক নং	পরিদর্শন ক্ষেত্র	প্রশ্নমালা	যাচাইয়ের মানদণ্ড	স্কোর	প্রাপ্ত স্কোর	মন্তব্য
১.	শাখা পরিপালন ইউনিট	১. শাখায় একজন অভিজ্ঞ ও জ্যেষ্ঠ পরিপালন কর্মকর্তা (BAMLCO) রয়েছেন কি?	অফিস অর্ডার দেখুন। শাখার দ্বিতীয় কর্মকর্তা বা অভিজ্ঞ কোন উর্ধ্বতন কর্মকর্তাকে BAMLCO মনোনীত করা সমীচীন হবে।	১		
		২. বিগত দুই বছরে তিনি মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ক কোন প্রশিক্ষণে অংশগ্রহণ করেছেন কি? মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ে বিদ্যমান আইন, বিধিমালা, বিএফআইইউ কর্তৃক সময় সময় জারীকৃত নির্দেশনা ও গাইডেন্স নোটস এবং প্রতিষ্ঠানের নিজস্ব মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ নীতিমালা সম্পর্কে তিনি যথেষ্ট অবহিত কি?	সাক্ষাৎকার ও নথিপত্রের ভিত্তিতে যাচাই করুন।	২		
		৩. মানিলভারিং প্রতিরোধ আইন, সন্ত্রাস বিরোধী আইন এবং এর আওতায় জারীকৃত পলিসি এবং/অথবা নির্দেশনা যথানিয়মে পরিপালিত হচ্ছে-এ বিষয়টি নিশ্চিত হওয়ার লক্ষ্যে BAMLCO নির্দিষ্ট ও গ্রহণযোগ্য সময় পর পর এবং কার্যকর প্রক্রিয়ায় তদারকি ও পর্যালোচনা করে থাকেন কি?	BAMLCO কর্তৃক তদারকি ও পর্যালোচনার প্রক্রিয়া যাচাই ও এর যথার্থতা পরীক্ষাপূর্বক মূল্যায়ন করুন।	৩		
		৪. বিএফআইইউ কর্তৃক জারীকৃত নির্দেশনা এবং প্রতিষ্ঠানের নিজস্ব নীতিমালা অনুযায়ী মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন সংক্রান্ত ঝুঁকি প্রতিরোধে যথাযথ ব্যবস্থা গ্রহণ করা হয়েছে কিনা?  BAMLCO কর্তৃক শাখায় পরিচালিত উচ্চ ঝুঁকিয়ুক্ত হিসাবসহ সকল হিসাবের লেনদেন পরিবীক্ষণ পর্যাপ্ত কি?	মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন সংক্রান্ত ঝুঁকি প্রতিরোধে শাখার গৃহীত পদক্ষেপ মূল্যায়ন করুন।  BAMLCO কর্তৃক উচ্চ ঝুঁকিয়ুক্ত হিসাবসহ সকল হিসাবের লেনদেন পরিবীক্ষণ পদ্ধতি যাচাই ও এর যথার্থতা পরীক্ষাপূর্বক মূল্যায়ন করুন।	৪		
		৫. বিএফআইইউ এর সার্কুলার অনুসারে শাখায়	এ ধরনের হিসাব খোলা ও পরিচালনার	৩		

		PEPs, প্রভাবশালী ব্যক্তি, আন্তর্জাতিক সংস্থার প্রধান বা উচ্চ পর্যায়ের কর্মকর্তার কোন হিসাব সংরক্ষণ করা হচ্ছে কিনা?	ক্ষেত্রে বিএফআইইউ এর সার্কুলার অনুসারে সতর্কতা অবলম্বন করা হচ্ছে কিনা তা যাচাই করুন। তবে PEPs, প্রভাবশালী ব্যক্তি, আন্তর্জাতিক সংস্থার প্রধান বা উচ্চ পর্যায়ের কর্মকর্তার কোন হিসাব না থাকলেও যদি বিএফআইইউ এর সার্কুলার এ প্রদত্ত নির্দেশনা বাস্তবায়নের প্রক্রিয়া বিদ্যমান থাকে তাহলে শাখা পূর্ণ নম্বর প্রাপ্ত হবে।			
		৬. বিএফআইইউ প্রদত্ত সেলফ অ্যাসেসমেন্ট শাখা কর্তৃক কতটুকু সঠিক ও কার্যকরভাবে সম্পাদিত হচ্ছে?	শাখার সেলফ অ্যাসেসমেন্ট রিপোর্ট পর্যালোচনা করুন। সঠিক ও কার্যকরভাবে সেলফ অ্যাসেসমেন্ট রিপোর্ট প্রণয়ন ও বাস্তবায়নের ভিত্তিতে নম্বর প্রদান করুন।	৬		
২.	মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ে কর্মকর্তাদের জ্ঞান ও সচেতনতা বৃদ্ধি এবং ঝুঁকি প্রতিরোধে গৃহীত ব্যবস্থা	১. শাখায় কতজন কর্মকর্তা মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ক আনুষ্ঠানিক প্রশিক্ষণ গ্রহণ করেছেন?	১০০% কর্মকর্তার প্রশিক্ষণ সম্পন্ন হলে তা সন্তোষজনক বলে বিবেচিত হবে। প্রশিক্ষণের হার অনুসারে নম্বর প্রাপ্ত হবে।	৩		
		২. শাখার কর্মকর্তাগণ মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ে বিদ্যমান আইন, বিধিমালা, বিএফআইইউ কর্তৃক সময় সময় জারীকৃত নির্দেশনা ও গাইডেন্স নোটস এবং প্রতিষ্ঠানের নিজস্ব মানিলভারিং প্রতিরোধ ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ নীতিমালা সম্পর্কে অবহিত আছেন কি?	শাখার সংশ্লিষ্ট কর্মকর্তাদের সাক্ষাৎকারের ভিত্তিতে মূল্যায়ন করুন।	৪		
		৩. মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ কার্যক্রম মূল্যায়নের জন্য একটি ত্রৈমাসিক ভিত্তিতে শাখা ব্যবস্থাপকের নেতৃত্বে কর্মকর্তাগণের সভা আয়োজন করা হয় কিনা?	সভার আলোচ্যসূচি সংগ্রহ ও এর কার্যকারিতা পরীক্ষা করুন।	৫		
		৪. বিএফআইইউ কর্তৃক জারীকৃত নির্দেশনা এবং ব্যাংকের নিজস্ব নীতিমালা অনুযায়ী মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন সংক্রান্ত ঝুঁকি প্রতিরোধে যথাযথ ব্যবস্থা গ্রহণ করা হয়েছে কিনা?	কী ধরনের ব্যবস্থা গ্রহণ করা হয়েছে যাচাই করুন।	৩		
৩.	গ্রাহক পরিচিতি (KYC) নিরূপণ পদ্ধতি	১. সকল প্রকার হিসাব খোলা ও লেনদেন পরিচালনার ক্ষেত্রে মানিলভারিং প্রতিরোধ আইন, সন্ত্রাস বিরোধী আইন এবং বিএফআইইউ কর্তৃক জারীকৃত সার্কুলারের নির্দেশনা অনুসারে গ্রাহক পরিচিতি সন্তোষজনকভাবে গ্রহণ করা হয় কিনা ?	প্রত্যেক ধরনের ৪/৫ টি হিসাবের নমুনা পরীক্ষা করুন। নিম্নোক্ত বিষয়ে সন্তুষ্টিসাপেক্ষে নম্বর প্রদান করুনঃ গ্রাহক পরিচিতির যথার্থতা কিভাবে যাচাই করা হয়? কিভাবে তা শাখায় সংরক্ষণ করা হচ্ছে? KYC সম্পাদনকালে গ্রাহকের তহবিলের উৎস যাচাই করা হয়েছে কিনা? হিসাবের প্রকৃত সুবিধাভোগী (Beneficial Owner) সনাক্ত করা হয়েছে কিনা এবং তা যাচাই এর প্রক্রিয়া সন্তোষজনক কিনা? উচ্চ ঝুঁকিবিশিষ্ট গ্রাহকদের ক্ষেত্রে ঝুঁকির নিরিখে অতিরিক্ত তথ্য (EDD) সংগ্রহ করা হয় কিনা?	৬		

পরিশিষ্ট-ঘ

		২.	বিএফআইইউ কর্তৃক জারীকৃত সার্কুলারের নির্দেশনা অনুসারে শাখা যথাযথভাবে ঝুঁকির ভিত্তিতে তাদের গ্রাহকদের শ্রেণিবিন্যাস/ শ্রেণিকরণ করে কি?	বিএফআইইউ কর্তৃক জারীকৃত সার্কুলারের নির্দেশনা পরিপালিত হয় কিনা যাচাই করুন।	৬		
		৩.	উচ্চ ঝুঁকিবিশিষ্ট গ্রাহকদের ক্ষেত্রে প্রয়োজনীয় অতিরিক্ত তথ্য সংগ্রহ করা হয় কি?	কী ধরনের তথ্য সংগ্রহ করা হয় এবং তা যথেষ্ট কিনা পরীক্ষা করুন।	৫		
		৪.	শাখা কি গ্রাহকের KYC Profile নির্দিষ্ট সময় পর পর পুনঃমূল্যায়নপূর্বক হালনাগাদ করে থাকে?	KYC Profile পুনঃমূল্যায়ন ও হালনাগাদ পদ্ধতি মূল্যায়ন করুন।	৫		
৪.	সন্ত্রাস বিরোধী আইন, ২০০৯ এর পরিপালন		সন্ত্রাস বিরোধী আইন, ২০০৯ এর অধীন সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধের লক্ষ্যে শাখা কী ধরনের কার্যকর পদক্ষেপ গ্রহণ করেছে?	নিম্নোক্ত বিষয়ে সন্তুষ্টিসাপেক্ষে নম্বর প্রদান করুনঃ জাতিসংঘের নিরাপত্তা পরিষদের বিভিন্ন রেজুলেশনের আওতায় সন্ত্রাস, সন্ত্রাসী কার্য ও ব্যাপক ধ্বংসাত্মক অস্ত্র বিস্তারে অর্থায়নে জড়িত সন্দেহে তালিকাভুক্ত কোনো ব্যক্তি বা সত্তা এবং বাংলাদেশ সরকার কর্তৃক তালিকাভুক্ত কোনো ব্যক্তি বা নিষিদ্ধ ঘোষিত সত্তার নামের তালিকা শাখায় সংরক্ষণ ও তদনুসারে হিসাব ও লেনদেন কার্যক্রম যাচাই করা হয় কিনা? শাখা এ বিষয়ক নিজস্ব কোনো Mechanism অনুসরণ করে কিনা? এরূপ ব্যক্তি বা সত্তার নামে শাখায় পরিচালিত হিসাবের (যদি থাকে) বিষয়ে বিএফআইইউ কে অবহিত করা হয় কিনা ?	৫		
৫.	সন্দেহজনক লেনদেন প্রতিবেদন (STR) ও নগদ লেনদেন প্রতিবেদন (CTR)	১.	শাখার কর্মকর্তাগণ সন্দেহজনক লেনদেন প্রতিবেদন (STR) সম্পর্কে অবহিত আছেন কি?	শাখায় সন্দেহজনক লেনদেন দাখিলের জন্য Internal Reporting Mechanism চালু আছে কিনা? তা সকল কর্মকর্তা জানেন কিনা?	৫		
		২.	শাখায় মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন সংক্রান্ত সন্দেহজনক লেনদেন চিহ্নিতকরণের কার্যকর পদ্ধতি চালু আছে কি? এ যাবৎ কতগুলো সন্দেহজনক লেনদেন প্রতিবেদন (STR) BAMLCO কর্তৃক CCU এর নিকট রিপোর্ট করা হয়েছে?	শাখায় সন্দেহজনক লেনদেন সংঘটিত হওয়া সত্ত্বেও যদি BAMLCO কর্তৃক CCU এর নিকট কোনো STR না করা হয়ে থাকে তাহলে তা অসন্তোষজনক বিবেচিত হবে। নথি ও সিস্টেম পরীক্ষা করে শাখায় STR সনাক্তকরণের জন্য কোনো পদ্ধতির প্রবর্তন করা হয়েছে কিনা তা যাচাই করুন। নিম্নোক্ত বিষয়ে সন্তুষ্টি সাপেক্ষে নম্বর প্রদান করুনঃ শাখায় সন্দেহজনক লেনদেন চিহ্নিত করার কোন পদ্ধতি অনুসরণ করা হয় কিনা? শাখা পর্যায়ে নিষ্পত্তিকৃত Internal Report যথাযথভাবে সংরক্ষণ করা হয় কিনা?	৪		
		৩.	শাখা কর্তৃক যথাযথ ও সঠিকরূপে নগদ লেনদেন প্রতিবেদন (CTR) করা হয় কিনা?	এতদসংক্রান্ত নথি পরীক্ষা করুন। (কমপক্ষে এক মাসের নগদ লেনদেন) ক্যাশ রেজিস্টার/বিবরণী হতে পরীক্ষা করুন এবং এর ভিত্তিতে ঐ মাসে	২		

পরিশিষ্ট-ঘ

			দাখিলকৃত নগদ লেনদেন প্রতিবেদন পরীক্ষাপূর্বক নগদ লেনদেন প্রতিবেদন দাখিলের সঠিকতার বিষয়ে মূল্যায়ন করুন।			
৬.	CCU বরাবর বিবরণী দাখিল	১.	শাখা কর্তৃক কতটি বিবরণী CCU বরাবর দাখিল করা হয়েছে? শাখা কি যথাসময়ে বিবরণী দাখিল করে?	এতদসংক্রান্ত নথি পরীক্ষা করুন। বিলম্বে অথবা বিবরণী দাখিল না করলে তা অসন্তোষজনক বিবেচিত হবে।	৩	
		২.	শাখা কর্তৃক নিয়মিতভাবে সেল্ফ অ্যাসেসমেন্ট করা হয় কিনা? প্রস্তুতকৃত বিবরণী যথাযথ কিনা?	এতদসংক্রান্ত বিবরণী পরীক্ষা করুন। তথ্যাদি সঠিক ও পরিপূর্ণ না হলে তা অসন্তোষজনক বিবেচিত হবে।	৩	
৭.	রেকর্ড সংরক্ষণ	১.	গ্রাহক পরিচিতি (KYC) এবং লেনদেন সম্পর্কিত রেকর্ড যথাযথভাবে সংরক্ষণের বিধান আছে কি?	৫টি বন্ধ হিসাব পরীক্ষা করুন। এক্ষেত্রে মানিলভারিং প্রতিরোধ আইন এর বিধান যথাযথভাবে অনুসরণ করা হয়েছে কিনা যাচাই করুন।	৪	
		২.	নিয়ন্ত্রণকারী কর্তৃপক্ষ বা CCU এর চাহিদা মোতাবেক রেকর্ডসমূহ সরবরাহ করা হয় কি?	এতদসংক্রান্ত নথি পরীক্ষা করুন। যথাসময়ে ও যথাযথ তথ্য সরবরাহ না করলে তা অসন্তোষজনক বিবেচিত হবে।	৩	
৮.	AML/CFT সম্পর্কিত শাখার সার্বিক কার্যক্রম	১.	শাখা ব্যবস্থাপক (BAMLCO না হলে) মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ বিষয়ক কর্মসূচি বাস্তবায়নে যথাযথ ভূমিকা পালন করে কি?	শাখায় আয়োজিত সভার আলোচ্যসূচি ও শাখা ব্যবস্থাপকের সাথে সাক্ষাৎকার এবং এ বিষয়ে শাখার পরিপালন অবস্থার ভিত্তিতে মূল্যায়ন করুন।	৫	
		২.	পূর্ববর্তী অভ্যন্তরীণ ও বহিঃ নিরীক্ষা প্রতিবেদন পরীক্ষাকালে AML/CFT বিষয়ক কোনো অনিয়ম ও দুর্বলতার উল্লেখ আছে কিনা এবং শাখা কোনো সংশোধনমূলক ব্যবস্থা গ্রহণ করেছে কিনা?	সর্বশেষ নিরীক্ষা সংক্রান্ত রিপোর্ট পরীক্ষা করুন এবং কী ধরনের সংশোধনমূলক ব্যবস্থা নেওয়া হয়েছে যাচাই করুন।	৪	
		৩.	শাখার সার্বিক কার্যক্রম সন্তোষজনক কি?	শাখার মানিলভারিং ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ সংক্রান্ত সার্বিক কার্যক্রম এবং শাখা ব্যবস্থাপকের পারফরম্যান্সের ভিত্তিতে মূল্যায়ন করুন।	৬	

শাখার সার্বিক মূল্যায়ন :

স্কের	রেটিং
৯০ <sup>+</sup> -১০০	শক্তিশালী (Strong)
৭০ <sup>+</sup> -৯০	সন্তোষজনক (Satisfactory)
৫৫ <sup>+</sup> -৭০	মোটামুটি ভাল (Fair)
৪০ <sup>+</sup> -৫৫	প্রান্তিক (Marginal)
৪০ ও এর নিচে	অসন্তোষজনক (Unsatisfactory)

Annexure-H

পরিশিষ্ট-ক

আর্থিক প্রতিষ্ঠানের নাম

প্রধান মানিল্ডারিং প্রতিরোধ পরিপালন কর্মকর্তা (CAMLCO) সম্পর্কিত তথ্যাদি

নাম	বাংলায় : ইংরেজিতে :
পদবি	
ব্যবস্থাপনা পরিচালক/প্রধান নির্বাহী কর্মকর্তা থেকে কত ধাপ নিচের পদ	
শিক্ষাগত যোগ্যতা	
এএমএল/সিএফটি বিষয়ক প্রশিক্ষণ	
জন্ম তারিখ	
জাতীয় পরিচয়পত্র/পাসপোর্ট নম্বর	
পিতার নাম	
মাতার নাম	
ঠিকানা	বর্তমান : স্থায়ী :
ফ্যাক্স নং	
ল্যান্ড ফোন নং	
মোবাইল ফোন নং	
ই-মেইল	

উপপ্রধান মানিল্ডারিং প্রতিরোধ পরিপালন কর্মকর্তা (DCAMLCO) সম্পর্কিত তথ্যাদি

নাম	বাংলায় : ইংরেজিতে :
পদবি	
শিক্ষাগত যোগ্যতা	
এএমএল/সিএফটি বিষয়ক প্রশিক্ষণ	
জন্ম তারিখ	
জাতীয় পরিচয়পত্র/পাসপোর্ট নম্বর	
পিতার নাম	
মাতার নাম	
ঠিকানা	বর্তমান : স্থায়ী :
ফ্যাক্স নং	
ল্যান্ড ফোন নং	
মোবাইল ফোন নং	
ই-মেইল	

**Annexure- I****CUSTOMER ACCEPTANCE POLICY**

Selection of Customer is an important factor for Banks and NBFIs. Alliance Finance PLC (hereinafter read as AFPLC) takes into consideration of all the relevant factors for accepting customers like- Customer's background, business/personal activities, business risks, credit worthiness, political influence, social status, other basic information and risk factors.

Objective and application of the policy: Primary objective is to prevent AFPLC from being used by illegal and criminal elements for money laundering or terrorist financing as appended under:

- To lay down explicit criteria for acceptance and rejection of customers.
- To establish procedures to verify the Bona-fide identification of individuals/Business or any other entity for opening of accounts.
- To enable AFPLC to understand/know the customers and their financial dealings to manage ML/FT risk prudently.
- To reduce the effective legal and reputational risks.
- To build up a system for detection and reporting of suspicious activities under applicable AML laws and regulations.

This policy is applicable to all our present and future Branches to be read in conjunction with related operational guidelines and circulars issued from time to time.

Definition of a customer:

- A person or entity that maintains an account and /or has a business relationship with the Bank/FIs.
- One or whose behalf the account is maintained (i.e. beneficial owner). Beneficial owner means the natural person who ultimately owns or controls a client and or the person on whose behalf a transaction is conducted and exercise ultimate and effective control over a juridical person.

For the purpose of KYC procedures, a customer is defined as:

- Any individual or entity that maintains an account of any type with AFPLC.
- Any third party, either individual or entity on whose behalf the account is operated (Beneficial owner) directly or indirectly.
- A professional intermediary (such as lawyer/law firm, chartered accounts etc) appointed for opening an account of account holder, Trust or beneficial owner under the legal infrastructure.
- Person or entity who transact significant amount occasionally which may impact the reputation/image/goodwill as well as increases risk for AFPLC. In such, cases CDD to be conducted for the settlor, trustee, protector or any person with similar status or any beneficiary.
- Any individual or entity defined by BIFU time to time.



## WHAT CONSTITUTES A CUSTOMER'S IDENTITY?

Identity generally means a set of attributes, which uniquely define a natural or legal person/entity. 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, corporate body, partnership, etc). For the purposes of this guidance, the two elements are: o the physical identity (e.g. Birth Certificate, TIN/VAT Registration, Passport, Driving License etc.); and undertaken. Confirmation of a person's address is also useful in determining where a customer is residing. Again, resident in a high-risk area or country should be considered. Knowledge of both residence and nationality may also be necessary, in a non money-laundering context, to avoid breaches of UN or other international sanctions to which Bangladesh is a party. Where a passport is taken as evidence, the number, date and place of issuance should be recorded from the valid passport. The other main element in a person's identity is sufficient information about the nature of the business that the customer expects to undertake, and any expected or predictable, pattern of transaction. For some business these may be obvious, however, for more complex businesses this may not be the case. The extent of the description required will depend on the institution's own understanding of the applicant's business. Once account relationship has been established, reasonable steps should be taken by AFPLC to ensure that descriptive information is kept up to date as opportunities arise. It is important to emphasize that the customer identification process does not end at the point of application, The need to confirm and update information about identity, such as changes of address, and the extent of additional KYC information to be collected over time will differ from sector to sector and between institutions within any sector. It will also depend on the nature of the product or service being offered, and whether personal contact is maintained enabling file notes of discussion to be made or whether all contact with the customer is remote.

AFPLC has been developing a clear customer acceptance policy and procedures, raying down explicit criteria for acceptance of customers including a description of the types of customers that are likely to pose a higher-than-average risk to a financial institution. In preparing such policies the following important factors are required to be taken into consideration: i) Customer's background, ii) Country of origin, iii) Public or high-profile position, iv) Linked accounts v) Volume of business activities, vi) Risks associated in the business of customers vii) Other risk indicators viii) Basic requirements for Account Opening, ix) All information available for judging the creditworthiness of borrowers, x) All information on walk-in customers as required in AML circular

On the other hand, to combat risk of Money Laundering (ML) and Financing of Terrorism (TF) Know Your Customer (KYC) and Customer Due Diligence (CDD) are important tools. Lack of precaution in the above-mentioned factors might result in serious customer and counterparty risks, especially reputation, operational, legal and compliance risks. Collection of sufficient information about the customers is the most effective defense for combating ML/TF activities. As per Money Laundering Prevention Act (MLPA)-2012 (amended in 2015) each financial institution (FI) is required to keep satisfactory evidence of the clients. On the other hand, each FI is also required to make necessary arrangements to prevent transactions related to crimes as described in Anti-Terrorism Act (ATA)-2009 (as amended up to 2013). It also requires identifying, under these laws, suspicious transactions with due care and diligence. Pursuant to the above legal bindings, Guidance Notes issued by Bangladesh Financial Intelligence Unit (BFIU) on ML/TF and Global standards, AFPLC has developed the Customer Acceptance Policy as under:

1. AFPLC will comply all the prevailing regulations of Money Laundering Prevention Act MLPA-2012 (amended in 2015), Money Laundering Prevention Rules MLPR-2019 and ATA-2009 (to be amended from time to time) Anti-Terrorism Rules 2013 and Bangladesh Financial Intelligence Unit Guidelines and Circulars relating to establishing financial relationship with customers.
2. Documentation requirements and other information shall be collected in compliance with the instructions contained in BFIU Circular#28 dated May 30, 2023; the requirements of the MLPA-2012 and ATA-2009 and other circulars and guidelines issued/ to be issued by Bangladesh Financial Intelligence Unit from time to time.
3. AFPLC will not open or maintain any account or establish any financial relationship with person(s) or organization(s) convicted for terrorism or terrorist financing or listed on the United Nations Security Council Resolution (UNSCR) 1267 & 1373-as individual, entities, alliances - terrorist or terrorist organizations.
4. Internet gaming companies, firearm dealers and other entities should not be allowed to open account as that may pose potential reputational risk to AFPLC. Persons/Entities with business about whom information is available through reliable sources indicating involvement of criminal conduct (e.g. those allegedly having link to drug trafficking, terrorism, corruption and organized crime).
5. In case of opening account of a Politically Exposed Person (PEP), AFPLC will comply the instructions contained in BFIU Circular#28 dated May 30, 2023 issued by Bangladesh Financial Intelligence Unit. Such types of account will be classified as high risk and will require very high level of monitoring. PEPs account shall be opened with prior permission of the CEO.
6. At the time of opening new account AFPLC will take care to seek only such information from the customer which is relevant but not intrusive. As customers profile and information contained therein are confidential documents, those should not be divulged for any other purposes.
7. AFPLC will conduct necessary checks before opening a new account to ensure that the name of the customers do not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations etc. as declared by the Government authorities.
8. AFPLC will collect complete and correct information of identity of the beneficial owners and preserve in the concerned file. A person shall be treated as a beneficial owner if (i) he or she has controlling share of a company or and (ii) hold 20% or more share of a company.
9. AFPLC will, in case a customer operates an account on behalf of another person in his/her own name, collect complete and correct information of the person besides the account holders.

10. AFPLC will ensure certification/genuineness of the given documents/National ID/Social Security Number/Residence Permit/TIN, independent contact with the customer etc. in case of establishing business relationship with “Non-Face to Face Customer/Non-resident Bangladeshi”.
11. AFPLC will review the customer’s personal/business background with due diligence before establishing any financial relationship.
12. AFPLC, in no cases, will allow any anonymous or fictitious accounts to be opened/ to be continued.
13. Customers’ risk shall be assessed as defined in KYC Profile meticulously and shall review the same at least once in a year or at the time of renewal or providing loan against FDR or new sanction or any other business relationship.
14. AFPLC will accept only those customers who can provide documents relating to identity and physical existence of business or residence.
15. AFPLC will verify identity of the customers using reliable sources, documents etc. but it must retain copies of all references, documents used to verify the identity of the customers.
16. AFPLC will comply Unique Customer Identification Code and Uniform Account Opening Form with prescribed KYC at the time of completing account opening formalities as per BFIU Circular Letter#28 dated: May 30, 2023.
17. AFPLC will take necessary steps to close existing accounts, where necessary, due to non-cooperation of the customers in providing necessary documents/information required by law/regulatory authority or non-reliability of the information/documents furnished by them. Decision to close an account shall be subject to approval of the CEO.
18. AFPLC will not do anything that will cause inconvenience to the public, especially those who are financially or socially disadvantaged.
19. AFPLC, in no cases, will deal with any Shell company or Shell bank.
20. AFPLC reserves the right to discontinue or close relationship, which in its opinion has contravened the MLPA-2012 and ATA-2009, and any other laws of the Country or indicates suspicious transaction/business.

**Related Website Link**

\*<https://www.un.org/securitycouncil/sanctions/information>

\*[https://www.bfiu.org.bd//pdf/local\\_sanction\\_list\\_bangla.pdf](https://www.bfiu.org.bd//pdf/local_sanction_list_bangla.pdf)

\*<https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html>

\*<https://www.bb.org.bd/en/index.php/services/eservices>