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2019-2020



Bangladesh Financial Intelligence Unit
Bangladesh Bank

BFIU Annual Report 2019-2020



Bangladesh Financial Intelligence Unit
Bangladesh Bank

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Message from the Governor

The global economy is faced with headwinds resulting from health and safety measures taken to contain the COVID-19 pandemic. Apart from the pandemic Bangladesh faces the additional challenge of achieving sustainable development goals and ensuring that decades of progress in economic development and poverty reduction are not lost. The Government of Bangladesh has risen to the simultaneous challenge of keeping the COVID-19 pandemic under control while protecting people's livelihoods by implementing sound health safety measures and stimulus packages of more than BDT 1220 billion, equivalent to 4.3% of our GDP. Bangladesh Bank has been coordinating closely with all institutions of the state to provide additional policy support by reducing CRR and Repo rates, relaxing its loan classification policy, enhancing advance-deposit ratio, introducing credit refinancing schemes, lowering interest rates and increasing the size of the Export Development Fund to support manufacturers-exporters of the country. All these efforts have helped shield the economy from the worst effects of the pandemic. In the birth centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman we are happy to state that Bangladesh is one of the few countries projected to grow significantly and enjoy an expanding economy.

There has unfortunately been no let-up in financial crimes even in this emergency. New money laundering and terrorist financing schemes have been devised using sales of counterfeit medicines, vaccines and personal protective equipment. Bangladesh Bank has chosen to maintain the highest state of vigilance to keep our financial system safe and prevent abuse of stimulus packages and necessary directives have been issued to banks. I am pleased that Bangladesh Financial Intelligence Unit (BFIU) has been quite active in this regard.

Globally, anti-money laundering and combating financing of terrorism (AML & CFT) efforts were affected by lockdowns and social distancing requirements that prevented officials from attending office, accessing their own computer systems and hampered transaction monitoring and vigilance. BFIU has done a commendable job in providing timely guidance to banks and other reporting agencies throughout the pandemic. It is altogether encouraging to note that, apart from accomplishing mandated tasks of regulating and supervising reporting organizations and ensuring a good number of intelligence dissemination, the Unit has also been able to publish its annual report of activities. Bangladesh Bank looks forward to continuing its human resources, financial, technical and logistical support to BFIU as the money laundering and terrorist financing watchdog over the Bangladesh's financial system.

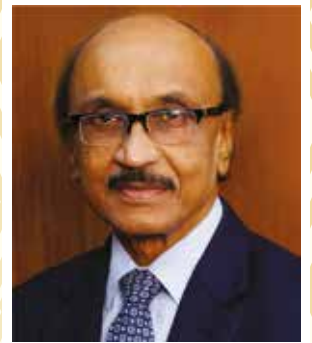
The coming days will be testing times for BFIU, Bangladesh Bank and all other regulators in the financial system. As normalcy returns and economic activity picks up, the scope and frequency of AML & CFT threats may go up further. It is imperative that we do not let down our guard during the expected economic recovery.

Finally, I extend my heartfelt thanks to the BFIU team for publishing this comprehensive overview of their activities over the past year and look forward to a flowering of its symbiotic relationship with Bangladesh Bank in the future.



(Fazle Kabir)

Governor, Bangladesh Bank



Foreword



Protecting the financial system from laundered money and funds intended for financing of terrorism remains a key component of our national security. As central agency in Bangladesh to deal with these threats, BFIU is empowered by and assigned with a host of responsibilities under the Money Laundering Prevention Act 2012 and Anti-Terrorism Act, 2009. Entrusted with regulating and supervising reporting organizations (ROs), BFIU also functions as the national center for analysis, dissemination of intelligence on suspicious transactions and activity while coordinating with all relevant agencies on anti-money laundering and combating financing of terrorism (AML & CFT) issues.

The past year has experienced an unprecedented challenge. A global pandemic related to the novel coronavirus brought most of the world to a halt, grounded financial systems and bereft regulators of the use of their offices. With sudden increase in new threat matrices, BFIU took the lead in providing guidance on preventing phishing attacks, cybercrime and other emergent threats in the pandemic environment. Three new circulars were issued that provided guidelines on the prevention of Trade Based Money Laundering, procedures for conducting electronic KYC (e-KYC) of clients and a comprehensive update of all existing AML & CFT guidance for banks. The number of Suspicious Transaction Reports (STRs), Suspicious Activity Reports (SARs) and Cash Transaction Reports (CTRs) from ROs showed an upward trend over the first three quarters of the year until the corona virus induced slowdown. Regular contact was maintained with law enforcement agencies and prudential regulators as attested to by the sheer volume of information exchange requests. BFIU also disseminated 116 intelligence reports which combined tactical and strategic analysis including, among others, on govt. procurement related corruption, scams involving foreign nationals, remote/online gambling, casino contributing to a number of successful investigations.

Among the bedrocks of our AML & CFT superstructure is the training that BFIU regularly imparts to all relevant agencies. Officials from BFIU conducted classes, moderated sessions and arranged seminars in the months leading up to the pandemic. Cooperation with law enforcement and other government agencies was stepped up in order to expedite cases of national significance where we are pleased to confirm that significant progress has been made.

Bangladesh has always been committed to cooperate with other nations and multilateral forums in the global fight against money laundering (ML) and terrorist financing (TF). Memoranda of understanding (MOU) were signed with 09 FIUs to expedite information exchange, and other forms of mutually beneficial support. Our collaboration with the Asia Pacific Group on Money Laundering (APG) and all relevant organizations has always been extraordinary. Bangladesh was honoured to serve as co-chair of the APG for 2018-2020. We were also prepared to host the APG Annual Meeting in Dhaka scheduled for July 2020, unfortunately the meeting had to be cancelled due to Covid-19.

Going forward, BFIU is aware of the new challenges and the changes in the nature of ML & TF threats that the next year may bring to light. BFIU is making operational plans for dealing with such eventualities and is committed to contribute to materializing the dream of Sonar Bangla of our Father of the Nation Bangabandhu Sheikh Mujibur Rahman, thwarting the enjoyment of unearned income by the criminals as enshrined in Bangabandhu's 1972 Constitution of Bangladesh. With this, I am glad to present the Annual Report 2019-20 for your kind perusal and hope it would benefit all stakeholders in our AML & CFT regime.

(Abu Hena Mohd. Razee Hassan)

Head of BFIU

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BFIU in FY 2019-20

01

Receipt of STRs/SARs & CTRs

3675 STRs/SARs¹ from ROs and other sources
787 information exchange request from LEAs and other sources
16141721 CTRs from Banks & NBFIs

02

Signing of MoU with

ACC, BP & BSEC
09 foreign FIUs
Total 77 MoUs with foreign FIUs until June 2020

03

International Cooperation

18 requests received from the FIU of different countries/jurisdictions
103 requests made to the FIU of different countries/jurisdictions

04

Intelligence Dissemination to the LEAs

116 intelligence report
787 information exchange

05

Monitoring and Supervision of ROs

187 system check inspections
70 special inspections

06

New Regulations

Guidelines for Prevention of Trade Based Money Laundering
Guidelines on Electronic Know Your Customer (e-KYC)
Instructions to be followed by the schedule banks for prevention of money laundering, terrorist financing and proliferation financing

07

New Strategy Paper

National Strategy for Prevention of Money Laundering and Combating Financing of Terrorism 2019-2021

08

Capacity Building Initiatives for ROs and Stakeholders

2 CAMLCO conferences
82 training programs for compliance officers
12 training programs for law enforcement agencies and other stakeholders

09

Participation of BFIU Officials in

39 international training, workshop, meeting and conference

10

Mutual Evaluation of Bangladesh

Technical Compliance	Effectiveness
8 Compliant	3 Substantial
26 Largely Compliant	4 Moderate
6 Partially Compliant	4 Low

¹ Number of STRs/SARs includes STRs or SARs received from ROs and Complaints received from individuals or other sources.



BFIU

at a glance

Background

The Annual Report of Bangladesh Financial Intelligence Unit (BFIU) is an attempt to demonstrate the activities of the Unit, as the central agency to combat money laundering (ML), terrorist financing (TF) and financing proliferation of weapons of mass destruction (PF), undertakes and the achievement it attains in a financial year. In materializing its vision of establishing a robust financial system in Bangladesh effectively deterring ML, TF & PF and other related offences BFIU works in close coordination with all the relevant national as well as international partners and agencies. In fact, as a founding member of the Asia/Pacific Group on Money Laundering (APG), an FATF style regional body that enforces FATF standards on AML & CFT in Asia/Pacific region, Bangladesh has been participating in APG's annual plenary meetings since 1997 and has been nominated as the Co-Chair of APG for the period of 2018-2020 and on behalf of the Government of Bangladesh, Head of BFIU has been performing the role.

As a member of APG, Bangladesh is committed to implement FATF Recommendations. To combat ML, TF & PF and deliver maximum accomplishments, BFIU makes all out efforts to fully discharge its responsibilities as the National Analysis Center to receive, analyze and disseminate financial intelligence as well as regulator and supervisor as entrusted with it by Money Laundering Prevention Act, 2012, Anti-Terrorism Act, 2009 and relevant rules thereunder. The journey of BFIU started with the establishment of the then Anti-Money Laundering Department at Bangladesh Bank in 2002. Afterwards, the Anti-Money Laundering Department was transformed into BFIU on 25 January, 2012 under the provision of Money Laundering Prevention Act, 2012. With the amendment in the Money Laundering Prevention Act, 2012 in the year 2015, the Unit achieved full operational independence.

In fulfilling its mission, the Unit renders cooperation and assistance to a number of members and jurisdictions, and receives cooperation and assistance from a number of agencies, donors and providers. For effective analysis and as part of international cooperation BFIU obtained Egmont Group membership in July, 2013 and also signed MoU with 77 FIUs till June 2020.

On the domestic front Bangladesh has established a strong legal and institutional framework to usher in an effective AML & CFT regime in the country. National Coordination Committee with Finance Minister as the Convener is the apex forum to guide and oversee formulation and implementation of AML & CFT related policies in line with international requirements. There is also a Working Committee to execute and implement decisions of the NCC and United Nations Security Council Resolutions implementation committee to ensure implementation of UNSCRs. BFIU plays an important role in all these committees.

Against such a backdrop, the activities of BFIU encompass analyzing Suspicious Transaction/Activity Reports (STRs/SARs), Cash Transaction Reports (CTRs) & information related to money laundering (ML)/financing of terrorism (TF)/proliferation financing (PF) received from reporting agencies & other sources and disseminating information/intelligence thereon to relevant law enforcement and investigative agencies, exchanging information related to money laundering and terrorist financing with its foreign counterparts, participating and contributing to various domestic and international AML & CFT initiatives and performing everything relevant to fulfill the objective of combating these crimes. This Annual Report like the previous ones presents all such activities and initiatives undertaken during FY 2019-20.



VISION

A robust financial system in Bangladesh effectively deterring money laundering, terrorist financing and proliferation financing and other related offences.

MISSION

Putting in place effective legal, administrative and judicial arrangements for prevention of money laundering, terrorist & proliferation financing and other related offences; through-

- Continual upgrading of AML & CFT legal and regulatory frameworks in line with the needs of evolving circumstances; ◆
- Maintaining broad based awareness of AML & CFT issues amongst regulators, law enforcers, reporting organizations and the general people through workshops, seminars, public campaigns and so forth; ◆
- Developing human resources and required infrastructures of BFIU for effective intelligence management; ◆
- Building and bolstering detecting and reporting capacities of the reporting entities in different sectors to ensure better compliance; ◆
- Deepening liaisons among BFIU, law enforcement and judiciary to expedite investigation, trial and adjudication of ML & TF offences; and ◆
- Strengthening contact and liaison with foreign FIUs for better information exchange in ML & TF offences; with regional and global bodies for sharing relevant experiences and upgrading AML & CFT best practices and standards. ◆

Objectives

To establish an effective and operational FIU;

To play a vital role in ensuring an effective AML & CFT regime in Bangladesh;

To adopt latest technologies and develop IT infrastructure and software to ensure strong reporting environment;

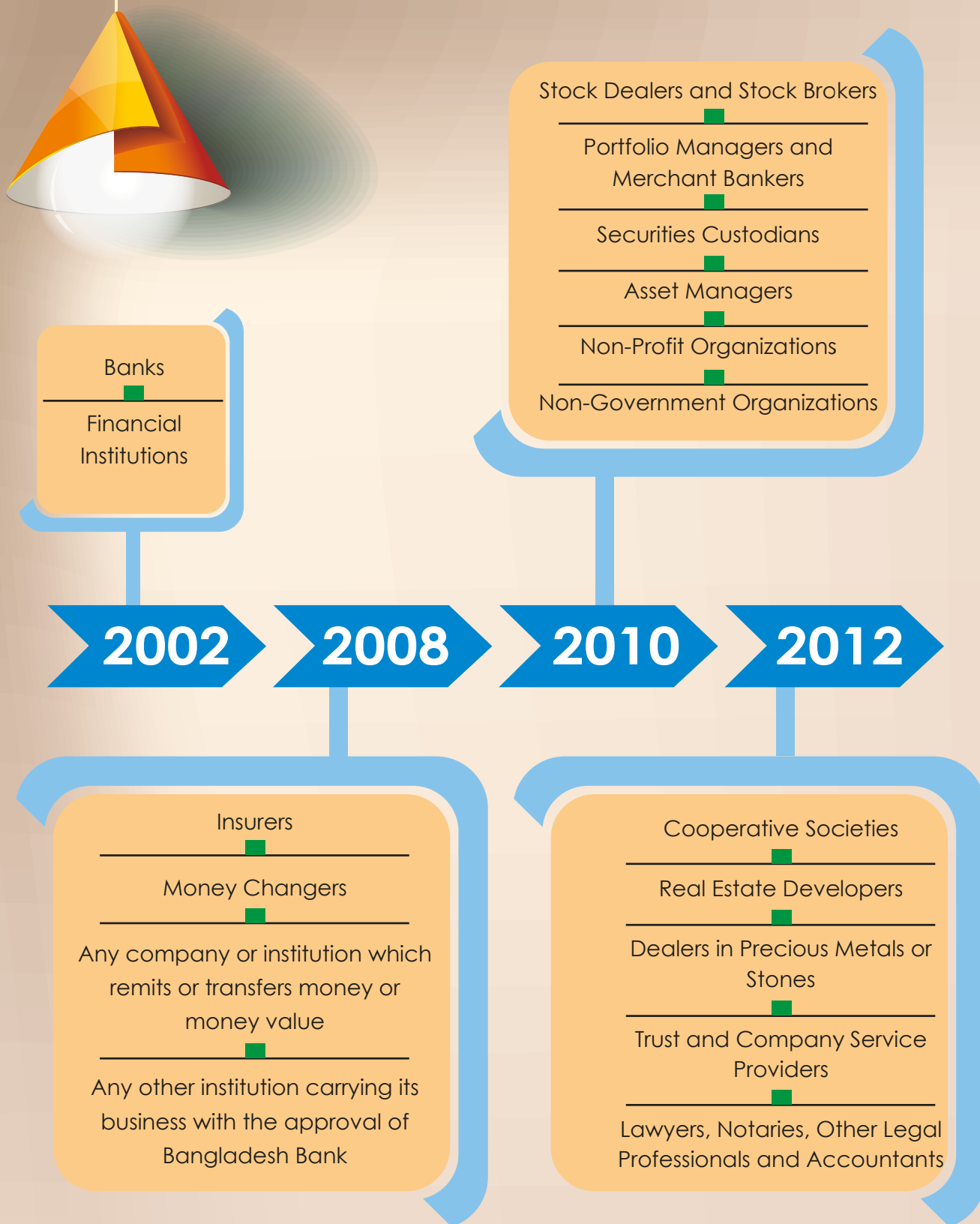
To ensure seamless flow of information and ensure participation of all stakeholders in AML & CFT initiatives;

To play an active role in the global AML & CFT initiatives and ensure utmost cooperation at international level;

To identify and address emerging threats, methods and techniques of money laundering, terrorist financing & proliferation financing of weapons of mass destructions; and

To create awareness regarding money laundering and terrorist financing across the country.

Reporting Organizations of BFIU



Functions of BFIU

- Receive Suspicious Transaction/Activity Reports (STRs/SARs) from the reporting organizations and Cash Transaction Reports (CTRs) from banks, financial institutions and DNFBPs and receive the complaints from different sources.
- Analyze the STRs/SARs from Reporting Organizations (ROs) and CTRs from banks, financial institutions and DNFBPs and the complaints received from different sources.
- Produce financial intelligence reports and disseminate those to investigating agencies for further action.
- Maintain a database of all STRs/SARs, CTRs and related information.
- Issue necessary directions and guidance notes from time to time to reporting organizations to prevent money laundering (ML), terrorist financing (TF) and proliferation financing (PF) activities.
- Ensure compliance of the respective Acts and Rules/Regulations/Directives through on-site and off-site supervision of the reporting organizations.
- Monitor the implementation of UNSC Resolutions including UNSCR 1267 and its successors, UNSCR 1373 and UN Security Council Resolutions related to proliferation financing of weapons of mass destruction.
- Impart training to the officials of the reporting organizations, investigating authorities, prosecutors, regulatory agencies and other related organizations or institutions.
- Sign Memorandum of Understanding (MoU) with foreign FIUs to exchange financial intelligence on ML, TF & PF.
- Provide and collect information to/from other FIUs under bilateral arrangements.
- Cooperate and work together with various international organizations including FATF, APG, EGMONT Group, World Bank, IMF, ADB, and UNODC regarding AML & CFT issues.
- Perform secretarial job for UN bodies, National Coordination Committee (NCC) and Working Committee on AML & CFT (NCC) and take necessary steps to implement the decisions taken in the committees.
- Work as the secretariat of inter-agency Task Force for Stolen Asset Recovery (StAR).
- Perform activities related to the Central Task Force for preventing illegal hundi activities, illicit flow of fund and money laundering and monitor implementation of the decisions of the meetings.
- Arrange regular meeting with Anti-Corruption Commission (ACC), Bangladesh Police and other relevant agencies and monitor the implementation of the decisions of the meeting.
- Arrange regular meeting with various regulators like BSEC, IDRA, MRA, NGOAB and different Self-Regulatory Bodies (SRBs).
- Carry out other related functions to prevent and combat money laundering, terrorist financing and proliferation financing activities respectively.
- Create public awareness against ML, TF & PF.

The diagram features a central light blue circle with a dark blue border. The border is composed of several segments in different shades of blue and grey. In the background, there are two large, faint grey gears. A large, dark blue triangular shape points upwards from the bottom left, partially overlapping the central circle. A thin black line extends from the right side of the circle towards the bottom right corner.

Regulatory Framework

**BFIU works under the provisions of Money
Laundering Prevention Act, 2012
and Money Laundering Prevention Rules, 2019;
Anti-Terrorism Act, 2009
and Anti-Terrorism Rules, 2013.**

Summary of Sanctioned Strength





Major Activities in FY 2019-20

Major Activities in FY 2019-20

Mandated as the national central agency on combating money laundering (ML), financing of terrorism (TF) and financing proliferation of weapons of mass destruction (PF), BFIU renders its duty both as regulator and supervisor. Considering country's ML, TF & PF risks dynamics, BFIU reforms its policy directives by updating existing AML & CFT circulars and renders directions through various guidelines on timely issues.

On the other hand, BFIU actively engages with various regulatory bodies, law enforcement agencies (LEAs), intelligence agencies and other counterparts for information and intelligence sharing. As the national central agency for financial intelligence, BFIU proactively provides intelligence to various LEAs by analyzing STRs, SARs submitted by various reporting entities, Govt. bodies and general public to bring offenders to the book. Presented below are some of the key works carried out by BFIU in the immediate past financial year.

2.1 Issuance of Circulars and Guidelines to Reporting Organizations

Under the provisions of Money Laundering Prevention Act (MLPA), 2012 and Anti-Terrorism Act, 2009; BFIU issues necessary directions (circular, circular letter, guidance etc.) time to time to the Reporting Organizations of Bangladesh. In FY 2019-20, BFIU issued following circulars:

Circular	Issue Date	Subject of Circular
10/12/2019	10/12/2019	Issuance of guidelines for prevention of trade based money laundering
08/01/2020	08/01/2020	Issuance of guidelines on e-kyc to prevent money laundering and financing of terrorism
16/06/2020	16/06/2020	Issuance of guidelines to scheduled banks to prevent money laundering and financing of terrorism

Guidelines for Prevention of Trade Based Money Laundering in Bangladesh: A way forward

Various research and studies show that more than 80 percent of illicit outflow occurs through international trade. International trade has been identified as the single most risky area for money laundering in the 'Money Laundering and Financing of Terrorism Risk Assessment Report,' a joint initiative of BFIU, ACC, and CID. Although most of the illicit outflow occurs through international trade, banks had been reporting few suspicious transactions on TBML due to lack of awareness, necessary guidance, and adequate implementation framework.

Initiatives: In this context, as part of the initiative to deter TBML a focus group comprising representatives of Bangladesh Bank, BFIU, NBR, Bangladesh Shipping Corporation, and Commercial Banks was formed. The main objective of the focus group was to draft guidelines for prevention of TBML for all the scheduled banks analyzing relevant international and national policies, Acts and guidance. The focus group finalized the draft guidelines reviewing various international policies, laws, and regulations. BFIU issued the guidelines on December 10, 2019, through BFIU Circular No. 24. By this, Bangladesh has set a unique example in providing separate guidelines for preventing TBML.

Different aspects of the Guidelines: The guideline issued by BFIU is unique one. It is both TBML risk assessment and risk mitigation guideline. In addition to providing guidelines on dealing with TBML risks, the ways to comply with the instructions have been outlined in this guideline. Apart from the three main chapters, three Appendices and an Annexure are enlisted to the guidelines. In these Appendices, 20 case studies, 48 TBML alerts, Product wise TBML Alerts, some relevant lists on trade transaction profile, landlocked countries, sanctioned vessels/shipping line that changed their names etc. and examples on TBML in Bangladesh have been given. Moreover, analysis on import data covering period 2013-2018 has been given using Bangladesh Bank database.

Initial Impact: With the issuance of the guidelines, a framework of responsibility, awareness, and accountability is expected to be developed and an appropriate compliance culture of identifying and reporting any suspicious transactions and activities related to money laundering and terrorism financing in international trade is expected to grow. Additionally, efficiency in compliance has been enhanced.

Guidelines on e-KYC: Step Forward to Digitalization

Access to the financial system is an essential tool in empowering individuals, reducing poverty and achieving sustainable, broad-based development. Easy access of customers, even from a remote location into the financial services, may pose some underlying risk of money laundering, terrorism financing and related criminal activities by abusing financial institutions and its services. On the other hand, rigid customer due diligence (CDD) processes, especially for low-risk customers, impedes financial inclusion. Keeping these under consideration, BFIU has issued Circular No-25 on 8 January 2020, providing a set of guidelines applicable for banks, NBFIs, CMLs and insurances companies for implementing electronic Know Your Customer (e-KYC) process.

e-KYC is a combination of paperless customer on-boarding, promptly identifying and verifying customer identity using biometric information, maintaining KYC profile in a digital form and (where applicable) determining customer risk grading digitally. Any natural person with a valid NID can be on-boarded through self-checking or assisted on-boarding using the e-KYC process. Prompt and automatic verification of biometric information from the NID database helps prevent identity fraud while conferring time and cost savings, higher business growth for financial service providers, and ease of the KYC process. All of these will increase the financial sector's depth and expand the access of financial services to the general public.

Circular detailing comprehensive requirement for banks to prevent Money Laundering and Financing of Terrorism

Banking industry is the most significant and most crucial component of the financial system in our country. As such, it is of vital importance that the banking system's integrity is safeguarded against ML & TF threats. With change in ML & TF threats, BFIU has issued Circular No-26 on 16 June 2020 introducing a new set of directives that provide an updated and comprehensive list of measures banks should apply to protect themselves from these risks.

The circular addresses the recent changes made by FATF and the national AML & CFT regulatory framework. The circular emphasizes on following risk-based approach where institutions need to identify, assess and understand ML & TF risks they are exposed to and take appropriate mitigation measures. Enhanced Due Diligence (EDD) is required for high-risk customer and Simplified Due Diligence (SDD) is necessary for the low-risk customer. Banks are encouraged to use technology starting from customer on-boarding to identification, screening, risk grading, profiling and even in new product and service development. To mitigate risks in international trade banks are directed to follow guidelines for prevention of trade based money laundering and called upon to frame their own guidelines based on the guideline.

2.2 Intelligence Management

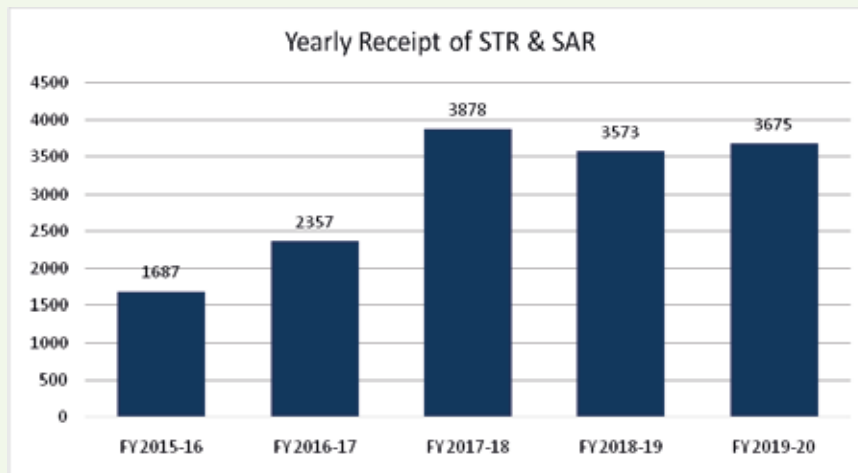
Cash Transaction Report (CTR) submitted by Banks and NBFIs, Suspicious Transaction/Activity Report (STR & SAR) submitted by the reporting organizations and information exchange request made by different government agencies serve as major data sources from which BFIU derives financial intelligence reports to disseminate to the competent authority for next course of action. BFIU entertains complaints and information from the public or other private organizations very sincerely. Any individual as well as government agency and private organization can lodge complaints or provide information regarding ML, TF & PF to BFIU addressing General Manager of BFIU. Government agencies can also make request to BFIU for information. Over the years the number of such information requests received by BFIU has been increasing.

BFIU also pays attention to media report/news related to ML, TF, & PF for useful information. Moreover, information provided by the regulatory authorities and supervisory bodies, intelligence shared by the intelligence agencies and law enforcement agencies, and information provided by the foreign FIUs or other foreign counterparts add value to the intelligence management of BFIU.

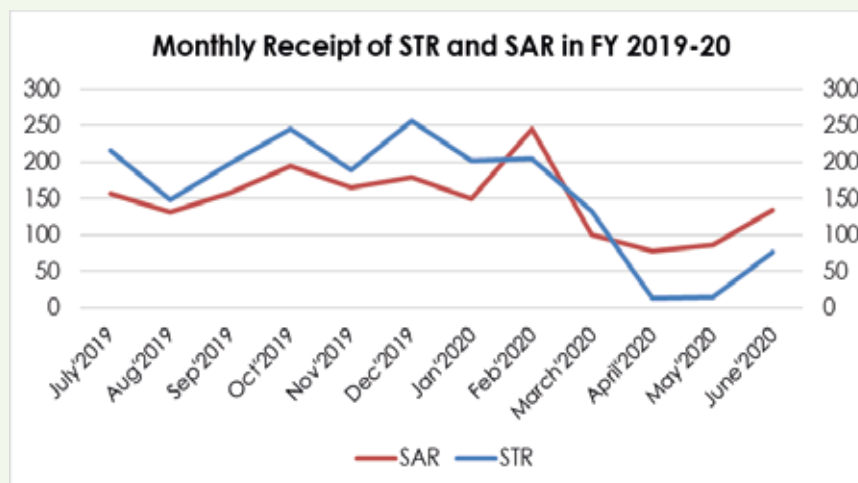
In fulfilling the core financial intelligence mandate and following international best practice, BFIU believes in the confidentiality of information derived from the reporting organization and shared intelligence of the law enforcement agencies and foreign counterparts.

2.2.1 Suspicious Transaction Report (STR) and Suspicious Activity Report (SAR)

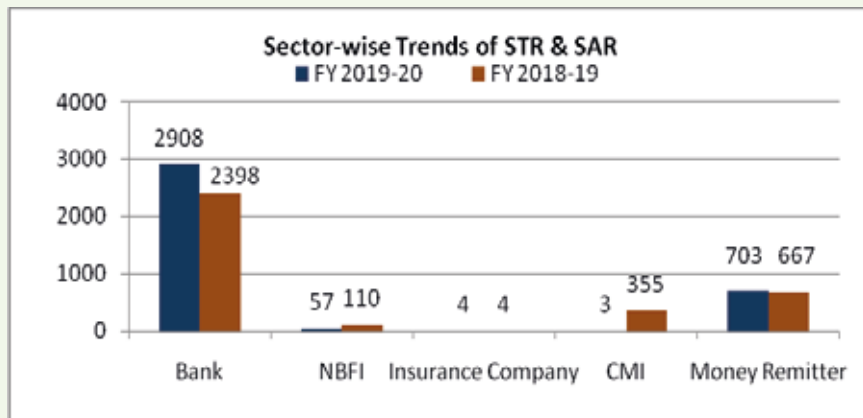
The provisions of section 25(1)(d) of the MLPA, 2012 and section 16(1) of the ATA, 2009 have made a legal obligation for the reporting organizations to submit STR spontaneously to BFIU. A good number of STR/SAR is one of the key indicators of the existence of a strengthened AML & CFT regime. Suspicious transaction or activity reporting system has been introduced to protect the reporting organizations from being exploited by the money launderers and terrorist financiers, and to ensure the soundness of the national AML & CFT program. In FY 2019-20, BFIU has received 1897 STRs & 1778 ARs (Total 3675) from ROs and general public.



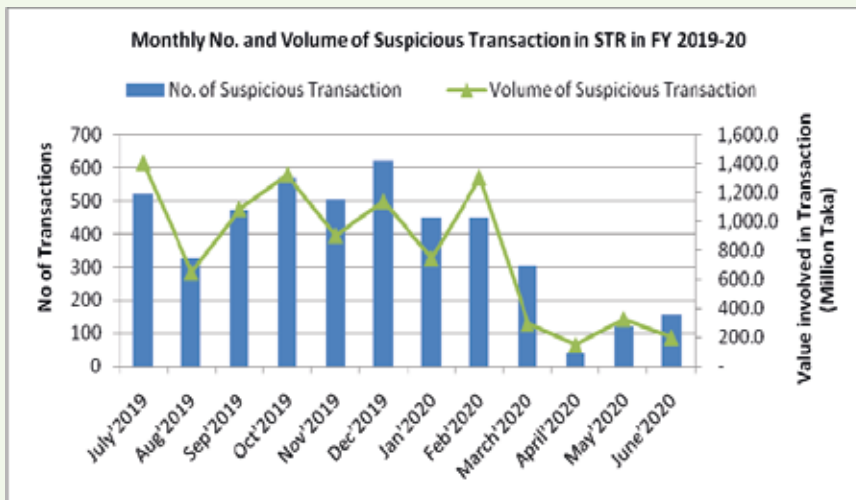
A comparative study of the STR & SAR received over the past 05 (five) years shows that BFIU has been receiving STR & SAR from the reporting organizations and other sources in an increasing trend since the enactment of MLPA in 2012. Although there were two months (April & May) general holiday during the COVID-19 pandemic, FY 2019-20 has seen an increase in the number of STRs & SARs as compared to that of FY 2018-19. The number of STR & SAR has increased due to several reasons including government's special drive on casino, corruption, increasing awareness among reporting organizations etc.



BFIU has received 306 STRs & SARs, on an average, in each month of FY 2019-20 while the figure was 298 in the previous year. The highest number of STR and SAR was received in December 2019 and February 2020 respectively. On the other hand, the lowest number of STR and SAR was received in April 2020 due to general holiday during COVID-19 pandemic.



Banks constitute the largest part in the financial system of Bangladesh. The 2nd National Risk Assessment on ML & TF reveals that the banking sector is more vulnerable to ML & TF for its wide range of products, services and network. The majority of STR/SARs received from the banking sector complement the NRA findings reflecting the banking sector's exposure of ML & TF risks. In FY 2019-20, BFIU received 2908 STRs & SARs (79.13% of the total STRs & SARs) from the scheduled banks. Moreover, MFS were the 2nd highest reporting organizations lodging 703 STRs & SARs (19.13% of the total STRs & SARs) to BFIU in FY 2019-20.



Mentionable that, reporting organizations have lodged 1897 STRs of which there were 4535 suspicious transactions valuing BDT 9547.97 million during FY 2019-20 while the number of reported suspicious transactions was 5036 (value BDT 10218.42 million) in the previous year.

2.2.2 Request for Information Exchange

Apart from STR/SAR, BFIU receives information exchange requests from different government agencies. Over the years the number of such information exchange requests has been increasing.

The fiscal year 2019-20 has seen 40.29% rise of information exchange requests than in the fiscal year 2018-19. Due to Bangladesh Government's sturdy stances against corruption and casinos, the number of information request has increased significantly. Over the years, Bangladesh Police, Anti-Corruption Commission and other Intelligence Agencies constitute the major user of financial information.

Table 1: Sources and Number of Requests for Information Exchange

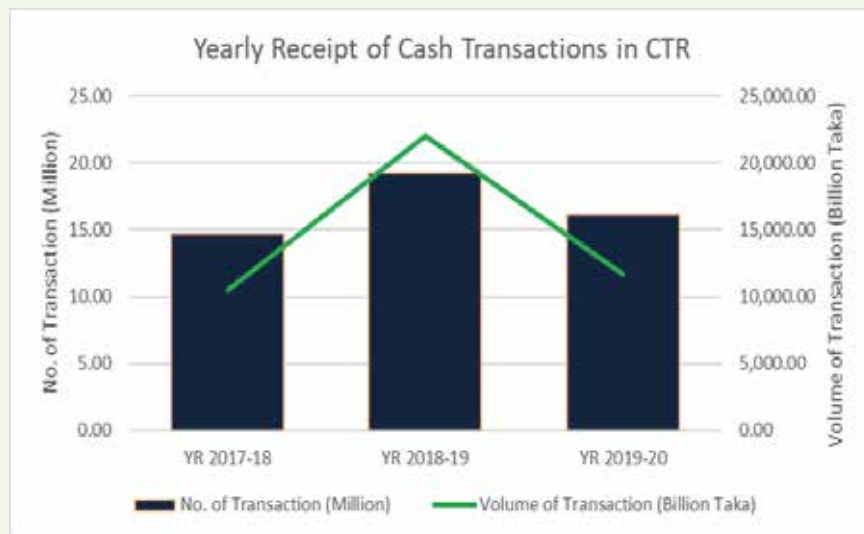
Source/ Sender Org.	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
ACC	29	71	186	58	114
Bangladesh Police (CID, RAB, SB, ATU, CTTCU etc.)	50	109	226	247	291
Others (BB, Customs, DNC, Intelligence Agencies)	97	96	78	256	382
Total	176	276	490	561	787

The above table 1 shows that the number of request from the government agencies for exchanging information and financial intelligence increases over the period of past 05 (five) fiscal years, BFIU's engagement with other government agencies such as Bangladesh Bank (BB), Bangladesh Customs, Department of Narcotics Control (DNC) and other agencies have increased significantly.

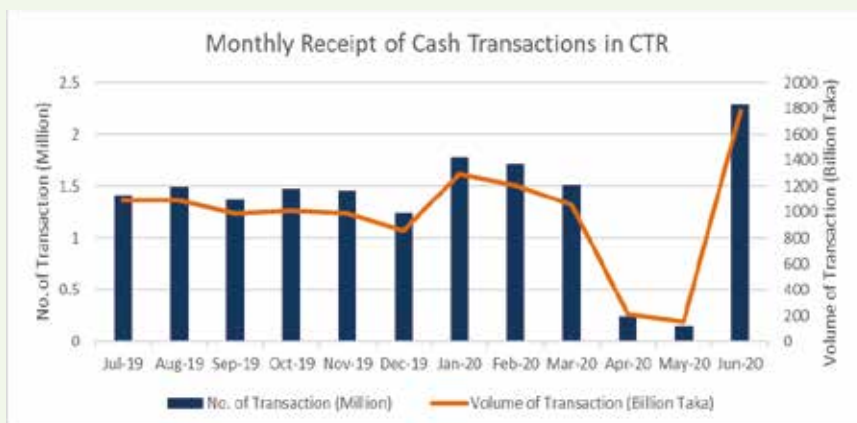
2.2.3 Cash Transaction Report (CTR)

Section 23(1) (a) of the MLPA, 2012 has empowered BFIU to obtain Cash Transaction Report (CTR) from the reporting organizations and analyze the same. At present, Banks and NBFIs submit CTR to BFIU on monthly basis as per the direction of BFIU circulars issued under section 23(1)(d) of the MLPA, 2012 and section 15(1)(d) of the ATA, 2009. BFIU has defined CTR as any kind of cash deposit or withdrawal valued BDT 1.00 million or more (or of equivalent foreign currency) through one or more transactions in an account in a single day. The information contained in the CTR is used for the analysis of STR/SAR, off-site supervision and strategic analysis.

Banks and NBFIs submit CTRs of the month by the 21st day of the succeeding month using goAML web incorporating all the transaction as per the definition of BFIU. In FY 2019-20, Banks have submitted 16.14 million transactions (value BDT 11719.29 billion) in CTR whereas NBFIs have submitted 2177 transactions (value BDT 3.02 billion).



The cash transactions reported over the last few years to BFIU by Banks and NBFIs shows increasing trend.



In FY 2019-20, on an average, 1.35 million cash transactions valuing BDT 976.61 billion have been received in each month. The highest number and volume of transactions were both in June 2020. On the other hand, the lowest number and volume of transactions were in May 2020 due to general holiday declared by the Government to ease COVID-19 pandemic.

2.3 Dissemination of Intelligence

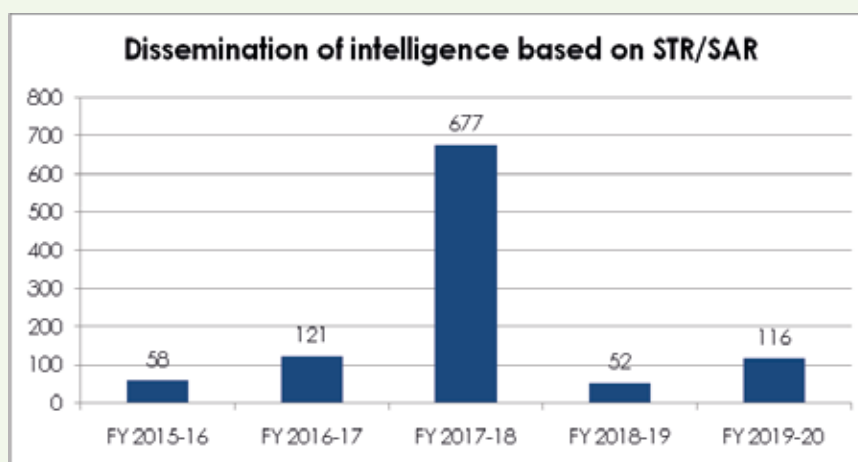
Dissemination of financial intelligence, analyzing STR/SAR, CTR and information collected from different sources, is one of the core functions of an FIU. Section 23(1) (a) of the MLPA, 2012 and section 15(1) (a) of the ATA, 2009 have empowered BFIU to analyze STR/SAR/other information received from reporting organizations and other sources, collect additional information for the purpose of analysis and provide financial intelligence/information on the same relating ML & TF to the investigating or law enforcement agencies for taking necessary action under the provisions of the said acts.

Furthermore, upon request of any investigating agency, BFIU provides ML or suspicious transaction related information under the provision of section 23(2) of the MLPA, 2012. BFIU also provides, on request or spontaneously, information relating to ML & TF to other government agencies as per section 24(3) of the MLPA, 2012. Besides, BFIU, as per section 15(2) of the ATA, 2009, provides information regarding TF or suspicious transactions to appropriate law enforcement agencies, as well as extends its cooperation to them for the investigation of such cases.

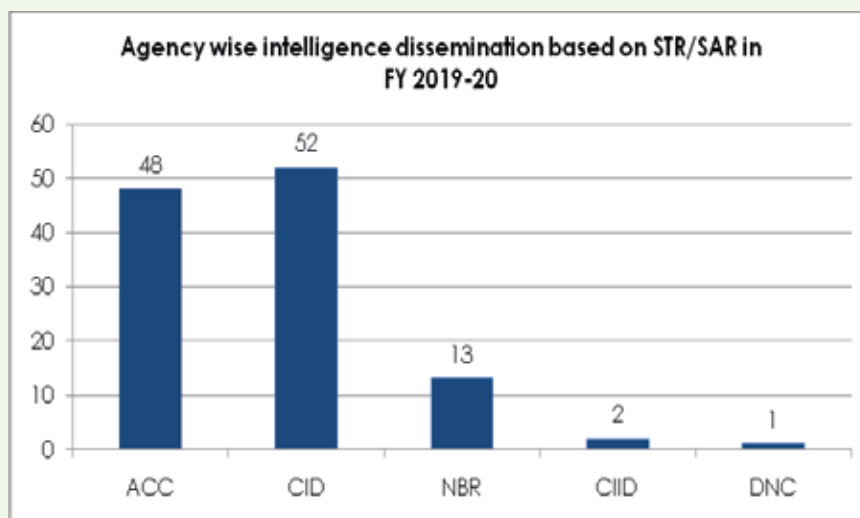
Upon receipt of STR/SAR, BFIU prioritizes the cases based on predefined indicators and then a competent analyst is assigned to analyze the case. The analyst collects additional information, as required, from different sources including reporting organizations, independent regulatory bodies, investigating agencies and other agencies and prepare intelligence report. If the case is related to ML, it is disseminated to ACC, CID, NRB, DNC, BSEC and Department of Environmental as the case may be. If the case is related to Terrorism, TP or PF then the case disseminated to Bangladesh Police.

2.3.1 Dissemination of Intelligence Based on STR and SAR

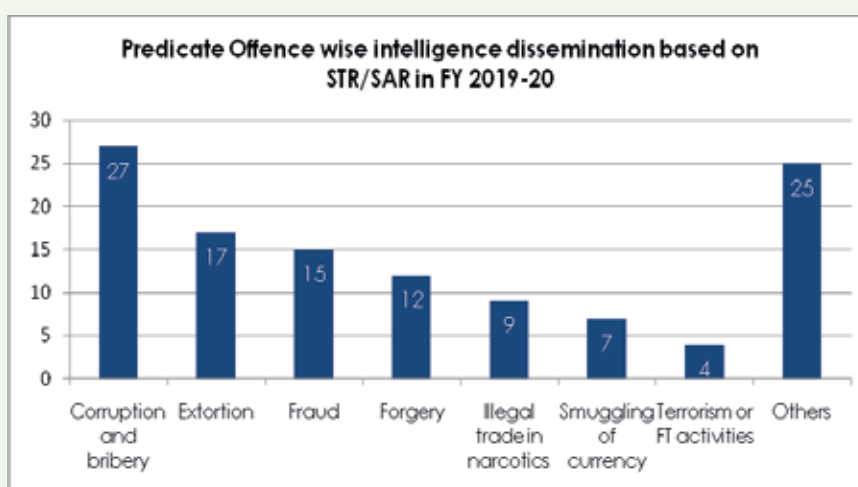
In FY 2019-20, BFIU has disseminated 116 intelligence reports based on STRs and SARs. The dissemination statistics over the last few years show that the number of dissemination to the LEAs has been gradually increasing.



Furthermore, agency wise dissemination statistics of the FY 2019-20 highlights that CID of Bangladesh Police and ACC topped the list in terms of highest number of intelligence dissemination as usual.



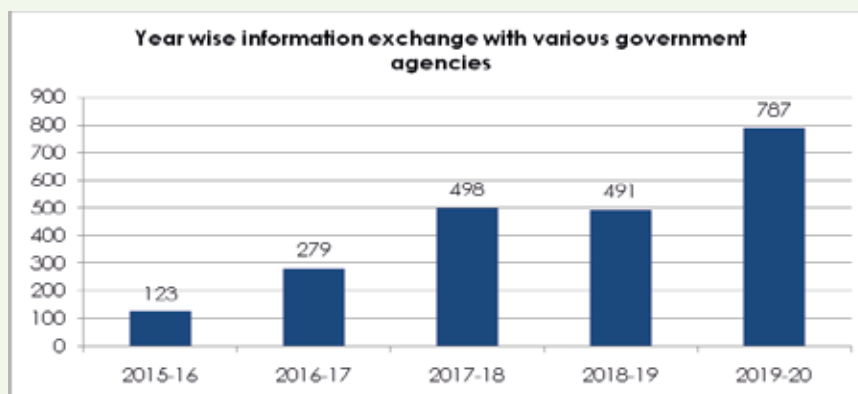
On the other hand, predicate offence wise intelligence dissemination statistics of FY 2019-20 shows that the top predicate offences were corruption and bribery, extortion, fraud etc. which more or less reflects that the nature of offences, and thus the vulnerabilities of the findings of National Risk Assessment in 2015.



2.3.2 Information Exchange

Effective information sharing is one of the cornerstones of a well-functioning AML & CFT framework. BFIU always fosters the spirit of rendering cooperation with other stakeholders engaged in fighting ML, TF & PF by sharing financial information promptly.

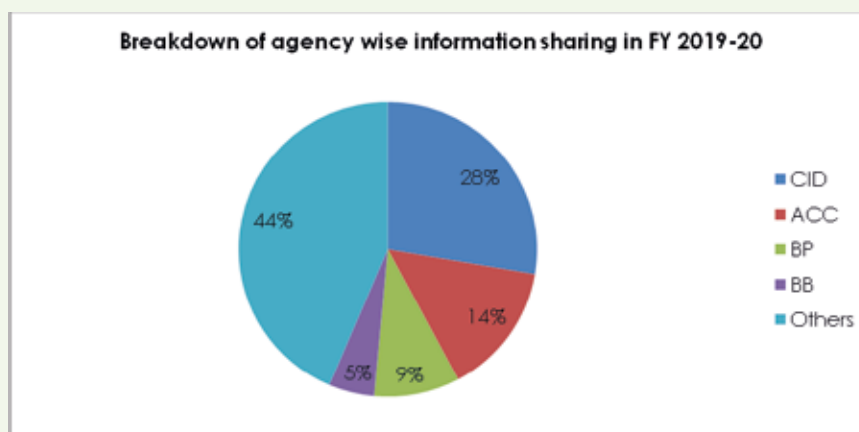
In FY 2019-20, BFIU has responded to 787 information exchange requests by sharing financial information to the law enforcement/investigative agencies. The number of information exchange has increased significantly due to Government's zero tolerance stances on corruption and casinos.



The following table 2 shows the prime recipients of such shared information are CID of Bangladesh Police, ACC, several units of Bangladesh Police, Bangladesh Bank and others including different Intelligence Agencies.

Table 2: Agency wise information exchange

Agency Name	FY 2016 -17	FY 2017 -18	FY 2018 -19	FY 2019 -20
CID	103	217	214	218
ACC	88	191	50	114
Bangladesh Police	47	16	13	73
BB	21	8	23	39
Others	64	82	102	343
Total	279	498	491	787



2.3.3 Dissemination related to Terrorism and Terrorism Financing Cases

Mandated under Anti-Terrorism Act, 2009 BFIU collects information on Terrorism and financing of terrorism related cases. Collected information is analyzed and reported to different law enforcement agencies.

In FY 2019-2020, BFIU disseminated 4 intelligence reports and exchanged information on 18 cases related to terrorism financing.

2.4 Monitoring and Supervision

Section 23(1)(e) of the MLPA, 2012 and section 15(1)(c) and (e) of the ATA, 2009 have empowered BFIU to supervise the activities of the reporting organizations and carry out on-site inspections. Hence BFIU is functioning simultaneously as the national analysis center and supervisory authority. To make an efficient and effective monitoring mechanism, Monitoring and Supervision wing of BFIU has been divided into the following six sub-wings:

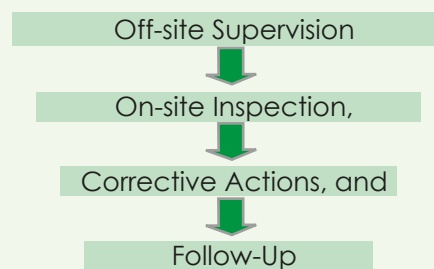
- a) Bank Monitoring
- b) Non-Bank Financial Institutions Monitoring
- c) NGO/NPO & Money Changers & Money remitter Monitoring
- d) Capital Market Intermediaries Monitoring
- e) Insurance Monitoring
- f) DNFBPs & Co-operatives Monitoring

As part of an effective monitoring system, in line with the FATF recommendation 1, BFIU has adopted Risk-Based Approach (RBA) to supervise the reporting organizations. In line with the approach, the supervisory activities of BFIU are focused on the sectors and entities that are most vulnerable to ML, TF & PF and are at high risk of regulatory non-compliance. Furthermore, while implementing RBA, BFIU has taken account of a number of risk factors faced by ROs including sectoral, client, geographic, delivery channel or service/product risks. In order to identify the potential risks and mitigate those risks, to address the compliance deficiencies and to plan and prioritize supervisory programs, BFIU has considered three different levels of risk assessments: National Risk Assessment, Sectoral Risk Assessment and Enterprise Level Risk Assessment.

In the Risk-Based Supervision, BFIU has established a framework to allocate its supervisory resources. Resources can be focused on reporting organizations that bear higher risks relative to their peers and allocated to particular higher risk areas within individual entities. Under this supervision system there is a process of continuous updating risk assessments through onsite inspections findings, off-site reviews and BFIU's intelligence that create an "early warning" or "AML rating" system for the reporting organizations to anticipate and deal with the emerging issues.

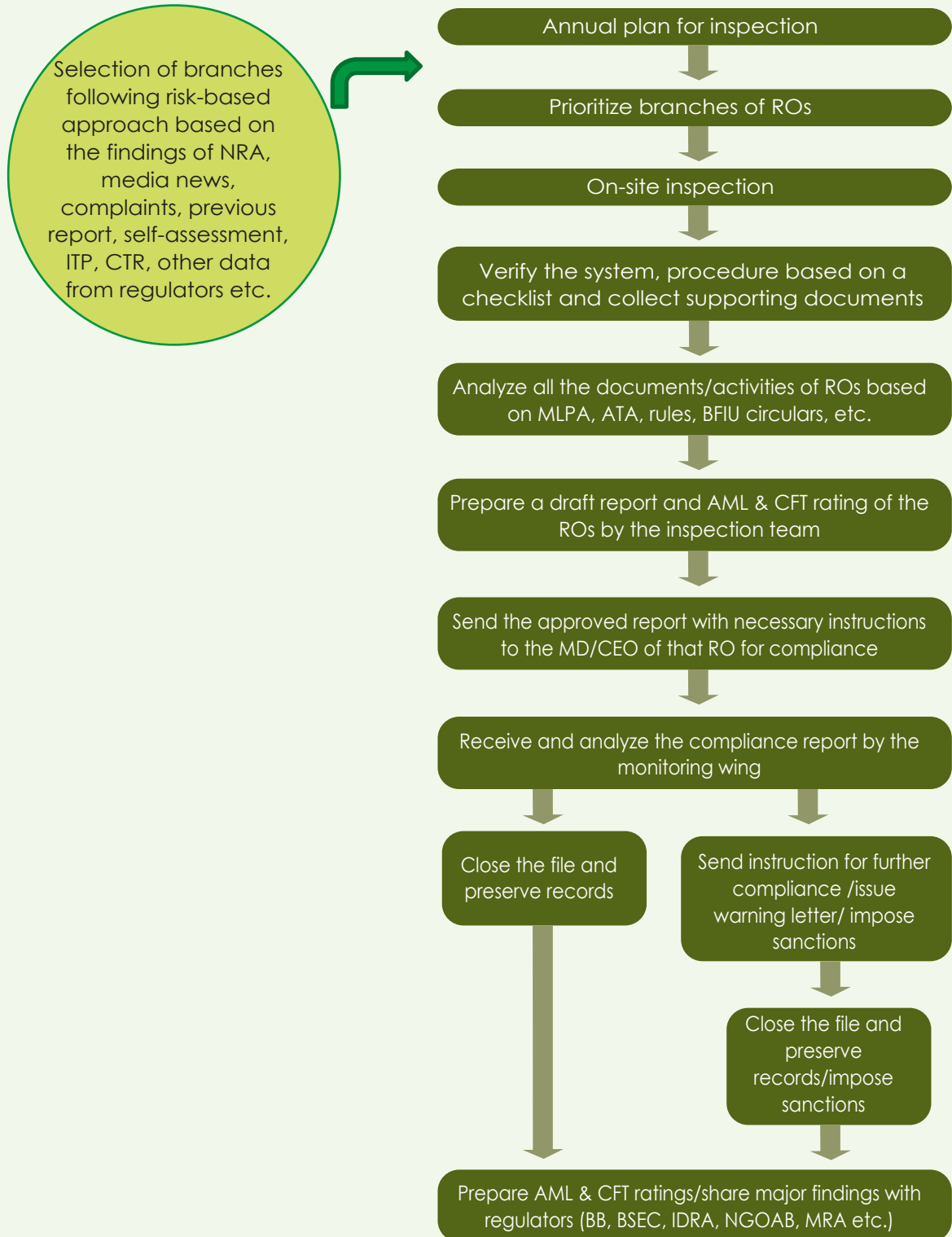
BFIU has also observed how the risk profile of both individual reporting organizations and the industry changes over time. These observations are useful, from the perspectives of BFIU, to look into the adequacy of its legislation and reviewing existing policy for accommodating relevant issues.

The AML & CFT supervisory program of BFIU is a continuous process divided into four steps. At each step, more information is collected about the reporting organizations and its potential risks of ML, TF & PF non-compliance. These four steps are:



The following diagram depicts the monitoring and supervision mechanism of BFIU:

Monitoring & Supervision Mechanism



2.4.1 Off-site Supervision

Off-site supervision aims at regular monitoring, analyzing and reviewing the periodic reports submitted by reporting organizations (ROs) in compliance with BFIU requirements. The findings from off-site supervision play a significant role in policy issues and decisions of on-site supervision including risk based supervision. BFIU's off-site supervision employs various methods and activities at the desk-level including –

- Assessing the Self-Assessment Reports and the results of Independent Testing Procedure (ITP) submitted by the ROs biannually;
- Preparing sectoral and individual risk assessment of the ROs and their non-compliance risks;
- Ensuring compliance of the ROs with submission of STR/SAR and CTR and information obtained from the same;
- Analyzing the information, both quantitative and qualitative, collected from regulatory/supervisory authority and obtained from open sources;
- Assessing compliance questionnaires, documents prepared by the ROs etc.

2.4.1.1 Off-site Supervision of Banks

As per instruction of BFIU circular, each branch of the banks is obliged to prepare a Self-Assessment Report based on a predefined checklist twice a year and submit the same to the Internal Audit Department and Central Compliance Committee (CCC) of its Head Office. Internal Audit Department has to analyze those reports and arrange for branch inspection, if necessary, informing the AML Division or Department of the bank. Furthermore, the said department, while inspecting the branches as part of its regular program, is required to prepare a report on the status of the AML & CFT system of the branches through the checklist of Independent Testing Procedure (ITP) and award rating based on their findings. In addition to that, Internal Audit Department conducts a separate AML & CFT inspection on at least 10% branches according to their annual plan.

The Internal Audit Department has to send the report based on those inspections ITP to the CCC. Then the CCC has to evaluate the two reports (self-assessment and ITP) to prepare a biannual evaluation report. This report is submitted to the highest level of bank management for their opinion and necessary direction. Furthermore, the banks are required to submit the summary of the two reports, Self-Assessment Report and ITP to BFIU on half yearly basis.

All the off-site supervision reports submitted by ROs are consulted while developing annual on-site inspection plan.

2.4.1.2 Off-site Supervision of NBFIs and other Reporting Organizations

NBFIs also submit the summary of self-assessment report and independent testing procedure report on half yearly basis following the similar procedures of the banks. Other reporting organizations like Insurance Companies and Capital Market Intermediaries submit the summary of self-assessment report to BFIU in the same manner.

2.4.2 On-site Supervision

BFIU prepares an annual on-site inspection plan based on the entity level risk assessment report of the ROs, and BFIU's own assessment (considering the previous inspections findings, self-assessment report and independent testing results). Reporting organizations which fall under 'High Risk' category are subject to more frequent onsite supervision. Findings of BFIU and AML & CFT risk rating are shared with the relevant regulators for their review and necessary actions. Basically two types of onsite supervision— system check inspection and special inspection— are carried out by BFIU.

2.4.2.1 System Check Inspection

AML & CFT system check inspection is conducted on a six-month cycle to oversee the compliance level of the reporting organizations with respect to the provisions under MLPA, 2012, ATA, 2009 and BFIU circulars and guidelines. AML & CFT risk management procedures of the ROs are also examined in the inspections. A system check inspection is basically conducted to review the following areas:

■	Evaluation of the competency of the Compliance Officer
■	KYC & CDD procedure
■	Transaction monitoring
■	CTR submission and analysis
■	STR identification and submission
■	Report submission by branch to CCC/CCU
■	Self-Assessment
■	Knowledge and awareness of the employees on AML & CFT
■	Record keeping
■	Compliance of the recommendations of the previous audit/inspection report

Based on the findings of the system check inspection, the reporting organization's head office and branches are awarded a rating (Unsatisfactory, Marginal, Fair, Satisfactory or Strong) and a report is sent for their compliance with AML & CFT related rules, regulations, acts and BFIU circulars.

2.4.2.1.1 System Check Inspection of Banks

BFIU has conducted system check inspection on head offices of 24 banks and their 40 branches during FY 2019-20. The number of inspections has decreased to some extent as compared to that of the previous year due to COVID-19 pandemic.

Table 3: System Check Inspection of Banks

Financial Year	Head Offices	Branches
FY 2015-16	00	56
FY 2016-17	57	57
FY 2017-18	26	54
FY 2018-19	23	49
FY 2019-20	24	40

2.4.2.1.2 System Check Inspection of NBFIs

BFIU has conducted system check inspection on 10 head offices and 10 branches of NBFIs in FY 2019-20. However, considering the risk and special drive in NBFI, the number of such inspections increases significantly as compared to that of the previous year.

Table 4: System Check Inspection of NBFIs

Financial Year	Head Offices	Branches
FY 2015 -16	6	9
FY 2016 -17	5 (special)	5 (special)
FY 2017 -18	20	10
FY 2018 -19	2	0
FY 2019 -20	10	10

2.4.2.1.3 On-site Inspection of other Reporting Organizations

A) Insurance Companies:

To monitor and supervise the AML & CFT activities of the insurance companies of Bangladesh, BFIU coordinates with Insurance Development and Regulatory Authority (IDRA), prudential regulator of the sector. Considering insurance as low risk sector, In FY 2019-20, BFIU has conducted onsite inspection on head offices of 9 insurances companies (5 Nonlife and 4 Life) and their 6 branches (4 Nonlife and 2 Life). Out of 15 inspections 9 were conducted in Dhaka.

Table 5: On-site Inspection of Insurance Companies

Financial Year	Nonlife Insurance			Life Insurance		
	Head Offices	Branches	Total	Head Offices	Branches	Total
FY 2015 -16	18	17	35	16	14	30
FY 2016 -17	19	11	30	15	10	25
FY 2017 -18	08	06	14	15	08	23
FY 2018 -19	15	10	25	10	5	15
FY 2019 -20	5	4	9	4	2	6

B) NGOs/NPOs

To monitor the AML & CFT compliance level of the NGOs/NPOs, BFIU has conducted 14 on-site inspections on their head offices in FY 2019-20.

Table 6: System Check Inspection of NGOs/NPOs

Financial Year	Head Offices	Branches	Total
FY 2017 -18	10	0	10
FY 2018 -19	16	0	16
FY 2019 -20	14	0	14

2.4.2.2 Special Inspection

Besides the regular system check inspection, BFIU also conducts special inspection on the branch of the ROs if it gets lower rating repeatedly in the system check inspection, any non-compliance issue detected in the system check inspection or if there is any adverse media report. Some special inspections are also carried out to monitor the reporting organizations' compliance level of STR & SAR submission and to examine whether banks and NBFIs are submitting CTR correctly and properly. In this case, branches are selected based on the transaction volume, operational importance, location, risk level etc. In addition to this, BFIU conducts special inspection for further analysis of STRs & SARs, complaints and other information as and when required.

Table 7: Number of Special Inspection

Reporting Organization	Head Offices	Branches
Bank	06	25
NBFI	07	01
Others	07	24
Total	20	50

In FY 2019-20, BFIU has conducted a total of 70 special inspections of which 20 were on head offices and 50 were on branches.

2.5 AML & CFT Challenges Emerging from COVID-19 Pandemic

ML & TF Risk Factors

Crime never stops and it has not been stopped during this pandemic as well. Mandatory lockdowns and social distancing measures have changed the way of how people shop, transact, and even meet with each other. Today we are seeing an explosion in online shopping, most of it innocuous, groceries, and other necessities. That should be good news for us: it lowers the use of paper currency and increases digitalization. But alongside the positives outcome, the curse of sub-standard or counterfeit medical equipment, Personal Protective Equipments, and prophylactic medicines that purportedly deal with the corona virus has also been emerged. Criminals have been selling these to a panicked and gullible public. We have also observed that the trade channels are misused for import and export of counterfeit COVID-19 related products.

The criminals are taking advantage of COVID-19 crisis in multiple ways; they attempt to earn profit exploiting people by fraud and scams, counterfeiting goods and Covid-19 related products, and adopting new and innovative ways to manipulate for on-going COVID related stimulus packages on social safety net. Thus, criminals are doing and will certainly cause substantial financial damages to the people, business, and society along with adverse impact of COVID-19.

The outbreak of COVID-19 has a significant impact on the economy, society, pattern of criminalities as well as the nature of risk related to money laundering and financing of terrorism (ML & TF). The current pandemic is shaping the ways and means of operating criminal network and their modus operandi which has exemplified the changes in the risk and patterns of ML & TF. Therefore, regulatory, law enforcement and financial institution's responses need to be reorganized accordingly.

Several crimes emerging from the COVID-19 including cybercrime, fraud and scam, supply of counterfeit goods, corruption and terrorist financing. Considering all these issues adequate instructions were given to ROs for proper management during the pandemic.

Initiatives taken by BFIU:

The operational activities of Bangladesh Financial Intelligence Unit were also affected like other FIU's around the globe especially during the 02 months general holiday in Bangladesh. However, BFIU have had been able to keep its few operational issues active even working from home to support government initiatives as well managing the risk of reporting organizations which includes as follows:

- Issued a cautionary letter to the financial institutions on the potential risk of cyber criminal activities during the pandemic.
- Allowed simplified CDD measures for the workers of the export oriented industries.
- Allowed simplified CDD measures for the marginalized people and those availing the government safety net program.
- Encouraged electronic on boarding mechanism for non-face to face customer.
- Assisted LEA and intelligence agencies by providing necessary data and documents.
- Organized online training programs for capacity building of the stakeholders.

2.6 Civil Forfeiture

A robust system of provisional measures and confiscation is an important part of an effective AML & CFT regime. Confiscation prevents criminal property from being laundered or reinvested either to facilitate other forms of crime or to conceal illicit proceeds. In itself, this can be significantly stifle organized criminal operations, break them or frustrate the movement of proceeds realized from crime. Reducing the rewards of crime, affects the balance of risk and reward, and the prospect of losing profits may deter some crime. It may also allow the victim of the crime to be partially or fully compensated, even when the proceeds are moved around the world. This is particularly relevant in the case of asset recovery.

Regardless of whether there is a criminal conviction, a civil forfeiture complaint can be filed against any specific property, real or personal, that is subject to forfeiture based on the underlying criminal activity. While criminal forfeiture is allowed under Money Laundering Prevention Act, 2012 (MLPA), section 17(1), the civil forfeiture is allowed in section 17(2) of the MLPA. As a common law country, Bangladesh Police and other law enforcement agencies have been applying conviction based confiscation for long and judicial system is comfortable in applying this measure though it is very complicated and time consuming. While law enforcement agencies and prosecutors have shied away from using 17(2) for civil forfeiture of criminal assets for many years, recently an uptake of the tool has been observed.

Successful application of civil forfeiture have been observed in the following cases:

SL	Case Number	Permission Petition	Offence	Forfeited Asset(BDT)
1	Motijheel DMP, Case 25, 21/03/2019	126/2019; 02/09/2019	ML; Fraud & Forgery	31.10 Crore
2	Uttara West, Case 15		ML	0.58 Crore
3	Uttara West Case 34, 30/06/2016		ML	0.27 Crore
4	Dhanmondi Case 02; 10/07/2016		ML	0.0061 Crore
			Total	34.66 Crore

Crime today is big business, and the most effective way to combat its growth is through the vigorous prosecution of money laundering and the aggressive pursuit of forfeiture wherever possible. As the methods employed to launder money have become more advanced and complicated, BFIU, LEAs and Prosecutors should continue to work together to bring landmark asset forfeiture actions. As the civil forfeiture is more effective than criminal forfeiture, hopefully it will be applied in other complicated cases also.

2.7 Fintech Initiatives

Bangladesh government has adopted the 'National Strategy for Prevention of Money Laundering and Combating Financing of Terrorism 2019-2021' where the Strategy No. 8 contains an explicit target of promoting Fintech and Regtech, financial inclusion and ensuring cyber security within the financial sector. The expected outcome of this target is the adoption of suitable regulatory framework that encourages innovation by ensuring financial inclusion and cyber security. There were several action item selected to achieve this Strategy No. 8 indicating a specific timeline, budget and responsible agencies. To complete those action item BFIU has formed a committee called Fintech & Regtech Team comprising trained and qualified IT and business professionals.

Initiatives taken by BFIU so far

The Bangladesh Financial Intelligence Unit (BFIU) has taken several steps on Fintech issues which include as follows:

- BFIU has formed an internal 'Fintech & Regtech Team'. The team is working on a scoping paper identifying the Fintech companies working in the different sphere of the financial sectors.
- To promote Fintech initiatives as well as end to end digitalization of financial services, BFIU has issued a guideline on Electronic Know Your Customer (e-KYC) through BFIU Circular No. 25 dated January 08, 2020.
- BFIU has organized for the first time ever, 2 days workshop along with the stakeholders working in the MFS and the DFS space.
- BFIU organized several in-house capacity building programs for its own employees on Fintech, Regtech, Blockchain technology etc.
- Bangladesh Bank has already set up an innovation office to promote Fintech innovation within the Payment Systems Department and BFIU is actively participating and contributing.
- BFIU circular No. 26 dated June 06, 2020 encourages banks to proceeds for automation in the AML & CFT compliance areas where the Fintech companies play a significant role. This circular thrives the installation office relatively to new technology adoption.

2.8 Special Drive on Non-Bank Financial Institutions

Between 2014 and 2016, several shell companies began buying about 30-50 percent of some renowned NBFIs shares. The companies named their own individuals to the board of directors of the NBFIs after taking control. Ultimately, those companies' nominated directors took charge of these financial institutions and even altered the top management of those NBFIs with their own people. In 2-3 years afterward, about 80-90 percent of the loans of those NBFIs were disbursed to different shell companies with the collaboration of the Board of Directors and Top Management. The nominated directors of the NBFIs were the ultimate beneficiaries of these shell companies. The disbursed loan sum was transferred by

multi-layering, involving 3 to 4 banks/NBFIs, and never returned in due time. A few were settled by taking loans from another NBFI, but another NBFI also produced another unsettled loan. Eventually, in that period of 3 to 4 years, these guileful directors embezzled all the depositors' money and took shelter in their second home in the developed countries. The depositors are now in great trouble retrieving their deposited amounts and calling for the help of law enforcement agencies and regulatory authorities. BFIU first unveiled this classic money trail scenario and detected the ultimate beneficiaries who executed the show behind the scenes. BFIU has submitted a detailed intelligence report to law enforcement agencies for legal action under the Money Laundering Prevention Act-2012.

2.9 Development of XML validation tool

goAML is an information analysis system provided by UNODC for analyzing STRs, CTRs and information related to money laundering and terrorist financing received from reporting organizations and other sources and disseminating intelligence reports with law enforcement agencies. Reporting organizations (ROs) send Suspicious Transaction/Activities Reports (STRs/SARs) and Cash Transaction Reports (CTRs) to BFIU using the goAML web platform. The effectiveness of different kinds of analysis by BFIU mostly depends on the quality of the data in those reports submitted by the ROs. That's why BFIU is constantly striving to increase the quality of these reports. Many steps have been taken by BFIU to ensure the accuracy of data in reports as part of which an initiative was taken to develop a tool named "XML Validation Tool" back in 2017. The purpose of this tool is to maintain the accuracy of data by identifying errors in the Cash Transaction Reports before submitting by reporting organizations and thereby ensuring the quality of reporting.

The development of "XML Validation Tool" was completed in 2018. The effectiveness of this tool was verified in two phases with the help of some selected Banks with pilot testing. Finally, with the presidency of The Head of BFIU, the tool was officially handed over to the chief anti money laundering compliance officer of all banks on March 12, 2020. They were instructed to submit reports after verifying the quality of the reports using this tool. The quality of the reports has improved a lot since reports were submitted by the reporting organization using this tool.



Domestic Cooperation and Engagement

Domestic Cooperation and Engagement

An effective AML & CFT regime requires a synchronized cooperation among many different authorities to be dealt with. BFIU, as the central agency of the country, always fosters a spirit of cooperation for combating of ML, TF and PF. BFIU strongly adheres to the policy of mutual cooperation and has been working closely with all the relevant stakeholders since its inception. During FY 2019-20 BFIU has taken a number of initiatives to intensify domestic cooperation and engagement with the various ministries, divisions and agencies of Bangladesh.

3.1 National Coordination Committee on AML & CFT

National Coordination Committee (NCC) is the apex platform to formulate policies and procedures in preventing money laundering and terrorist financing in Bangladesh. The committee, comprising members of all relevant agencies, is headed by the honorable Finance Minister while the Head of BFIU is the member secretary of the committee. The committee met twice in FY 2019-20 and made several important decisions and recommendations on action plan for implementation of the recommendations of APG Mutual Evaluation Reports. Signing Memorandum of Understanding with ACC, Bangladesh Police and Bangladesh Securities and Exchange Commission completed by BFIU according to the decision of NCC. However, appropriate initiatives for reduction of cash transactions, amendments of the Companies Act 1994, collection of tax from those who travel to Bangladesh with a travel visa and subsequently change their visa type have been taken based on NCC decision.

3.2 Working Committee on AML & CFT

The second highest body for combating money laundering and terrorist financing in the country is the Working Committee on AML & CFT. This committee works for ensuring coordinated institutional effort to implement the policies for combating money laundering and terrorist financing. Senior Secretary of Financial Institutions Division, Ministry of Finance is the convener of the committee. The Head of BFIU is one of the members of the committee. The working committee met twice in the fiscal year 2019-20 and took some important decisions on conducting a risk assessment on terrorist financing including international nexus between terrorism and terrorism financing, preparing a guidance notes for the law enforcement authority in relation to international cooperation in collecting information and evidence from the foreign counterparts, regular quarterly meetings between LEAs and BFIU to review the usefulness of intelligence reports and the progress of related cases sent by BFIU, implementing laws and various recommendations of IO-5 related to legal persons and arrangements to enhance the competencies of RJSC, preparing report on stolen asset recovery strategy from different countries including Switzerland, conducting a risk assessment on legal persons and legal arrangement, taking necessary measures to organize capacity building program for law enforcement agencies.

3.3 Central Task Force on Prevention of Money Laundering and Terrorist Financing

Since 2017, a reformed Central Task force and its associated Divisional Task Forces have been coordinating the operational response to prevent money laundering and terrorist financing in Bangladesh. The Task Force brings together different investigative agencies, law enforcement agencies, prudential regulators of the reporting organizations and BFIU itself.

The organizations having representation on the Central Task Force are NBR, ACC, BSEC, Department of Cooperatives, Insurance Development and Regulatory Authority (IDRA), NGO Affairs Bureau (NGOAB), DNC, RJSC, Police Headquarters, Dhaka Metropolitan Police (DMP), CID and various supervision-related departments of Bangladesh Bank. In addition, 8 (eight) representatives from scheduled banks, 2 (two) representatives each from financial institutions, capital market intermediaries, non-government organizations (NGOs), insurance companies and cooperative societies make up the other members. The Head of BFIU is the convener of the central Task Force whereas the General Manager of BFIU serves as its member secretary.

The Task Force is mandated to convene quarterly meetings to discuss the progress achieved in implementing its goals. Due to COVID-19 pandemic, the Central Task Force met 03 (three) times in FY 2019-20. The major decisions taken at these meetings include prepare an analysis report detailing annual charges for NID verification including user basis charge paid by banks to the Election Commission, investigating fraudulent cooperative societies reported by all the Divisional Task Forces, taking necessary action against their unlawful activities and appropriate actions against the cooperative societies which operate illegal banking activities using the term “Bank”, encouraging cashless transactions and reducing frequency and volume of large cash transactions etc.

3.4 Seminar on National Strategy for Prevention of Money Laundering and Combating Financing of Terrorism, 2019-2021



Honorable Finance Minister Mr. A H M Mustafa Kamal, MP as Chief Guest at the seminar

A seminar on 3rd National Strategy Paper was arranged on 17 November 2019 at Hotel Intercontinental, Dhaka. Mr. A H M Mustafa Kamal, MP, Honorable Finance Minister was the chief guest of the seminar whilst Mr. Md. Shahriar Alam, MP, Honorable State Minister for the Ministry of Foreign Affairs served as special guest. As convener of the committee tasked with writing the national strategy paper, Head of BFIU Mr. Abu Hena Mohd. Razee Hassan gave an overview of the national document highlighting the 11 (eleven) strategies covering key components of the paper such as, stemming illicit flows of funds and trade based money laundering, developing an effective judicial system, ensuring the maintenance of strict AML & CFT compliance by the reporting organizations (ROs), modernizing border control mechanisms, ensuring systematic freezing and confiscation of the proceeds of crime and managing them effectively, promoting transparency in the ownership of legal persons and arrangements, ensuring corporate governance in the reporting agencies and other corporate vehicles for further strengthening the AML & CFT agenda.

The National Strategy for Prevention of Money Laundering and Combating the Financing of Terrorism is an outcome of the National ML & TF Risk and Vulnerabilities Assessment Report and an associated gap analysis of Bangladesh's AML & CFT regime against the FATF recommendations. The final National Strategy document is a detailed roadmap for combating money laundering and terrorist financing offences that recognizes impediments that have to be overcome and assigns all relevant agencies and authorities with appropriate actions to accomplish in a three year period of 2019-2021.

The chairman of ACC expounded on how corruption induced ML and illicit outflows of funds can be curbed. The then Chairman and Senior Secretary of National Board of Revenue articulated NBR's role in curbing TBML and recovering stolen assets. Another salient issue, namely, improving the quality of financial investigations and prosecutions relating to ML & TF was discussed by the Deputy Inspector General of CID of Bangladesh Police whereas the Senior Secretary, Financial Institution Division, Ministry of Finance emphasized the importance of domestic cooperation and coordination among all agencies in implementing the National Strategy. Chargé d' Affairs of the US Embassy in Bangladesh and The UN Resident Coordinator of United Nations Bangladesh also made remarks expressing their interest in providing assistance and promising their cooperation with all relevant agencies in the future to help implement the action plans of the national document. Honorable Governor of Bangladesh Bank Mr. Fazle Kabir moderated the seminar and drew the attention of all concerned to the urgency of proper coordination and collective efforts to attain the goals enunciated in the strategy paper within their stipulated timeframe.

3.5 Signing of Memorandum of Understanding with Domestic Organizations

In FY 2019-20 BFIU signed 03 (Three) Memorandum of Understanding (MoU) with domestic organizations namely Anti-Corruption Commission (ACC), Bangladesh Police and Bangladesh Securities and Exchange Commission (BSEC).

MoU between BFIU and ACC

The Deputy Head and The General Manager of BFIU along with the representatives from ACC at the MOU signing ceremony



ACC is a statutory independent corruption prevention and corruption detective body of the state, operating under the Anti-Corruption Commission Act, 2004. It gains further vigor and impulsion duly acceding to the United Nations Convention against Corruption (UNCAC) on 27 February 2007. Corruption, which poses a significant ML & FT threat in Bangladesh, is one of the predicate offenses listed under the MLPA 2012. A large chunk of illicit funds laundered from Bangladesh arise out of corrupt practices. Prior to 2015 legislative amendments of MLPA, the ACC had also been the sole investigation agency for all ML related cases.

Being a national central agency on AML & CFT, BFIU works closely with the ACC to help the latter investigate and prosecute corruption in Bangladesh. This involves constructing monetary trails for the proceeds originated from corruption, performing non-conviction based freezing and confiscation as required, etc. The National Coordination Committee on AML & CFT has mandated that BFIU would sign Memorandums of Understanding (MoUs) with the other agencies involved in combating money laundering and terrorist financing, including the ACC. To that end, an MOU has been signed between BFIU and the ACC on 16 October, 2019, at the headquarters of the ACC in Dhaka with a view to increasing scopes of cooperation between ACC and BFIU for dealing with money laundering and financial crimes. The MOU provides an institutional framework for strengthening the cooperation further through focal point communication. General Manager of BFIU, Mr. Md. Zakir Hossain Chowdhury and Director General (Money Laundering) of ACC, Mr. A.N.M. Al Firoz, has signed the MOU on behalf of their organizations.

MoU between BFIU and Bangladesh Police



The Head and the Deputy Head of BFIU along with the Additional IGP of Bangladesh Police at the MOU signing ceremony

BFIU is the central agency of Bangladesh responsible for establishing an effective system for prevention of money laundering, combating financing of terrorism. The Money Laundering Prevention Act, 2012 also empowers BFIU to analyze and investigate financial flows associated with twenty-seven different predicate offenses. As such, BFIU has been engaged in mutually beneficial cooperation with Bangladesh Police since its inception. Over time, the requirements of the MLPA, 2012 and Bangladesh's commitment to implementing the FATF recommendations saw an increase in the frequency and extent of communication requests between BFIU and several units of Bangladesh police as AML & CFT provisions were more frequently utilized in making prosecutions.

Signing MoU laid out the basics of institutional cooperation between the two organizations. The signing of MoU was accomplished on 29 December 2019 at the headquarters of CID of Bangladesh Police. The Head of BFIU Mr. Abu Hena Mohd. Razee Hassan and Additional Inspector General of Bangladesh Police Mr. Abdullah al Mamun, PPM, BPM, on behalf of Inspector General of Bangladesh Police signed the MoU for their respective sides. The MoU specified the legal framework that governed the two organization's areas of cooperation, the process of such cooperation (e.g. by appointing dedicated focal points in either organization) and the need for information secrecy and preservation of records. It is expected that Bangladesh Police and BFIU, by adhering closely to the MoU, will be able to work together seamlessly in safeguarding the country from the multiple threats it faces.

MoU between BFIU and BSEC

The high officials of BFIU and BSEC at the MOU signing ceremony



The Government of the People's Republic of Bangladesh is committed to keeping the wheel of development of the country in motion and to uplift the image of Bangladesh in the world by curbing and preventing money laundering, terrorism and terrorist financing. Therefore, it is very important for all the concerned agencies to work together and exchange information and experience in order to suppress the related crimes. Bangladesh Securities and Exchange Commission (BSEC) which is established with the mission of protecting the interest of investors in securities, developing the securities market, formulating policies and regulations on securities related matters. In addition, prudential regulator of securities sector, BSEC is authorized to investigate ML offences relating to insider trading and market manipulation.

In this regard, a coordinated effort has been taken by BFIU and BSEC by signing a memorandum of understanding for exchanging information aimed at preventing money laundering and terrorist financing on 02 January, 2020. BSEC Executive director and AML and CFT wing chief, Ms. Ruksana Chowdhury and BFIU General Manager Mr. Md. Zakir Hossain Chowdhury signed the MoU on behalf of their respective sides at the BSEC Bhaban in the city. BSEC Chairman Mr. M. Khairul Hossain and BFIU Head Mr. Abu Hena Mohd. Razee Hassan, among others, were present on the occasion. Both of them opined that the process of information exchange between them would take institutional structure after signing of the MoU.

3.6 APG Strategic Implementation Plan (SIP) Mission Visit Bangladesh



Delegations from APG and Bangladesh at the meeting, 7-8 July 2019, Dhaka

A team from the APG secretariat consisting of Mr. David Shannon, Director, Mutual Evaluation and Mr. Mustafa Akbar visited Bangladesh during 7-8 July 2019 as part of a Strategic Implementation Plan (SIP) mission to help provide expert guidance on implementing steps to continue Bangladesh's progress as a compliant jurisdiction on AML & CFT. The visit was held in succession to the 3rd Round Mutual Evaluation of Bangladesh (2016), to consolidate the gains made in combating ML & TF, build on the strengths identified in the report and inquire into progress on the strategic implementation plan that addressed both the overarching FATF recommendations and the specific challenges faced by Bangladesh.

The team held a series of meetings with officials from BFIU, the Ministry of Finance, Ministry of Commerce, Ministry of Law, Justice and Parliamentary Affairs, the Attorney General's office, Bangladesh Police and other law enforcement agencies as well as financial regulators and self-regulatory bodies. They reviewed follow-up progress on the National Action Plan that had been enacted pursuant to the 3rd Round Mutual Evaluation. These meetings concerned issues of policy and prioritization in money laundering and terrorist financing risk assessment, background intelligence, investigation, trial procedures, sanctions and confiscation, terror designations and international cooperation as well as preventive measures. The SIP team also met with the National Coordination Committee on prevention of Money Laundering and Terrorist Financing and held in high regard the strong political commitment shown by Bangladesh on AML & CFT. In his parting remarks, Mr. Shannon reflected on Bangladesh being the regional leader on AML & CFT issues and its significant contribution in APG, FATF and Egmont Group Initiatives in the fight against money laundering and terrorist financing. He also offered technical assistance on asset management mechanisms and in implementing fine procedural changes to legal and institutional practices related to secrecy, a process long demanded by the FATF, APG and other international bodies.

3.7 Engagement with Law Enforcement Agencies

BFIU has regular engagements with the Law Enforcement Agencies (LEAs) and intelligence agencies. BFIU arranges meeting with ACC and CID regularly for dialogue on ML, TF & PF related cases and to monitor the advancement. During FY 2019-20, BFIU met six times with ACC and once with CID. These meetings facilitate bilateral and multilateral cooperation between relevant authorities and enhance mutual consultations, promote mutual contacts, exchange information and identify hindrances and ways of overcoming hindrance for effective implementation of AML & CFT regime of the country.

3.8 Capacity Building Programs for Law Enforcement Agencies and Other Relevant Stakeholders

To strengthen domestic cooperation in the fight against money laundering, terrorist financing and proliferation financing, BFIU arranges regular capacity building programs for the officials of the law enforcement agencies in association with the relevant stakeholders. Over the past years BFIU arranged various capacity building programs on AML & CFT issues where ACC, Bangladesh Police, NBR, DNC, BSEC officials have attended.

During FY 2019-20, BFIU arranged 11 (eleven) training programs for the investigators of Bangladesh Police. In those training programs investigation techniques of financial crimes were shared with the police officials in order to enhance their capacity in investigating money laundering and terrorist financing related cases. On continuation of previous program on Financial Crime Investigation, BFIU organized a workshop on "Advanced Course on Financial Crime Investigation" in November, 2019. Thirty (30) officials from all relevant law enforcement agencies participated in the workshop. Moreover, U.S. Department of Justice's Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) and United Nations Office for Counter-Terrorism (UNOCT) in collaboration with BFIU have organized 02 (two) Workshops for all the relevant stakeholders of AML & CFT regime in Bangladesh.

International Cooperation and Engagement



International Cooperation and Engagement

International cooperation offers a good opportunity for unifying effort and acting jointly in order to tackle the global challenges and issues like money laundering and terrorist financing. It is quite impossible to ensure a stable AML & CFT regime without enhanced international cooperation in an age where money could be moved across borders at anytime and anywhere. Considering the emerging trends and technologies within financial system and the evolving nature of ML & TF offences, BFIU always fosters international cooperation and engagement with its counterpart to tackle the risk of ML & TF in the country. Moreover, FATF recommendation 40 requires countries to ensure clear and effective gateways to facilitate the prompt and constructive exchange directly between counterparts, either spontaneously or upon request, of information relating to both money laundering and the underlying predicate offences. BFIU always renders its assistance and cooperation with its counterparts by prompt response to all the requests received and also seeks cooperation from respective jurisdictions in relevant cases.

4.1 Asia/Pacific Group on Money Laundering (APG)

As a founder member, Bangladesh has been participating in the different programs of APG, an inter-governmental body consisting of 41 member jurisdictions, since its inception in 1997. Being the central agency to combat ML, TF and PF in Bangladesh, BFIU is taking the lead role in its various initiatives and programs.

4.1.1 22nd APG Annual Meeting



Bangladesh delegation at the 22nd Annual Meeting of the APG, 18-23 August 2019, Canberra, Australia

The 22nd Asia Pacific Group on Money Laundering (APG) Annual Meeting and Technical Assistance and Training forum was held in Canberra, Australia during 18-23 August, 2019. A high level Bangladesh delegation led by Mr. Abu Hena Mohd. Razee Hassan, Head of BFIU, attended the meeting. Bangladesh delegation comprised government officials from Prime Minister's Office, Ministry of Finance, Ministry of Home Affairs, Ministry of Foreign Affairs, Ministry of Law, Justice and Parliamentary Affairs, Anti- Corruption Commission, Bangladesh Police, National Board of Revenue, Bangladesh Securities and Exchange Commission and BFIU. Around 500 delegates from the member jurisdictions, observer jurisdictions and organizations participated in the plenary.

Bangladesh, along with Australia, co-chaired the plenary sessions and directed the membership to take important business decisions. The Head of BFIU, nominated by the government to play the role of the co-chair, conducted 7 out of 14 sessions in the plenary and Governance Committee meeting. Mutual Evaluation Reports of Pakistan, Solomon Islands, Philippines and Chinese Taipei were adopted in the plenary of the annual meeting. Membership approved 3rd Follow-up Report of Bangladesh with five rating of largely compliant and compliant in FATF Recommendations from partially compliant. Recommendations rated to compliant and largely compliant are related to wire transfer, internal control & foreign branches and subsidiaries, financial institution secrecy law, regulation and supervision of financial institutions and guidance & feedback. Bangladesh delegation participated actively in the two concurrent technical seminars on virtual asset and international cooperation between supervisors.

4.1.2 23rd APG Annual Meeting

The 23rd APG Annual Meeting was scheduled to be held in Dhaka in July 2020. BFIU along with concerned ministries made extensive arrangements including security measures, venue selection, budget, invitations as host to around 500 delegations from the member and observer jurisdictions as attendee. APG secretariat official visited Bangladesh to finalize the security plan and other arrangements for the meeting. Despite all the preparation and plan Bangladesh, being the co-chair of APG, had to respond to the extraordinary circumstances occurred by COVID-19 pandemic as declared by the WHO in March 2020. After a thorough consultation, APG Secretariat along with the co-chairs and Governance Committee members decided to request for opinions regarding travel restrictions imposed on the member jurisdictions. As vast majority responded mentioning travel restrictions in the emergency situation, the 23rd APG Annual Meeting was cancelled due to the global health concerns. APG Governance Committee convened a series of special meetings to carry forward the important business decisions on behalf of the membership.

4.1.3 Bangladesh Represents as APG Co-Chair



Mr. Abu Hena Mohd. Razee Hassan, Head of BFIU acting as APG Co-Chair for the period of 2018-2020

The Asia/Pacific Group on Money Laundering is an inter-governmental organization focused on ensuring that its members effectively implement the international standards against money laundering, terrorist financing and proliferation financing related to weapons of mass destruction. APG has a permanent Co-Chair and a rotating Co-Chair. The permanent chair is held by Australia, as host and supporting member jurisdiction of the Secretariat, and the rotating chair is appointed for a two-year term by the membership. As recognition of commitment and initiatives to prevent Money Laundering and Terrorist Financing by the Government, members of APG unanimously endorsed Bangladesh to take the responsibility of rotating Co-Chair for the term 2018-2020.

In March 2018, Government of Bangladesh nominated Mr. Abu Hena Mohd. Razee Hassan, Head of BFIU and the then Deputy Governor of Bangladesh Bank to carry out the role of APG Co-Chair. Head of BFIU assumed the important role in the Asia-Pacific region in July 2018 at the end of 21st Annual Meeting hosted by Nepal. While taking the charge APG Co-Chair stated some priorities including addressing the risk of virtual currencies and crypto assets, de-risking in the region, support for promoting financial inclusion etc. Head of BFIU chaired all the Governance Committee meeting and 22nd Annual Meeting along with Australian Co-Chair. He also chaired APG Ad Hoc Group on the FATF Strategic Review which coordinates APG contributions to various aspects of the FATF's strategic review initiatives. Bangladesh has been successfully discharging the responsibility.

4.1.4 South Asian Sub-Regional Coordination Meeting

In the margin of 18th APG Annual Forum on Technical Assistance and Training, the South Asian Sub-Regional Coordination Meeting was held on 20 August 2019 in Canberra, Australia. Mr. Md. Zakir Hossain Chowdhury, General Manager of BFIU, along with APG Secretariat Chaired the meeting.

In the beginning, the Chair congratulated Pakistan on their successful completion of Mutual Evaluation (ME) as well as expressed best wishes to Nepal for their upcoming ME. Then, the respective member jurisdictions were asked to discuss their technical assistance needs. The APG secretariat expressed their future effort to accommodate the needs of respective jurisdiction in collaboration with the donor and assistance provider. In the meeting, Sri Lankan representative provided feedback on their on-going technical assistance, and the representative from Bangladesh provided feedback on the technical assistance delivered to the Nepal Government. Nepal, Bhutan and Myanmar delegates also actively participated in the meeting.

4.1.5 Participation in the APG Mutual Evaluation Process



BFIU official along with the assessment team

Mutual Evaluation of member countries and jurisdictions is a core component of APG work program and all APG member countries and jurisdictions are committed to support the APG's Mutual Evaluation program by providing duly qualified experts to participate in the assessment team. Bangladesh is generous in supporting the APG's Mutual Evaluation program.

In the Mutual Evaluation process of Solomon Islands, BFIU official Mr. Kamal Hossain, Deputy General Manager participated as Financial Expert. Apart from working on various technical compliance issues, he assessed the effectiveness of supervision, preventive measures, TF preventive measures and sanctions. The Mutual Evaluation Report of Solomon Islands adopted by the APG at its annual meeting held in August 2019.

4.1.6 Asia Pacific Joint Group On-site visit



*BFIU official at the Asia Pacific Joint Group
On-site visit, 16-17 September 2019, Sri Lanka*

Bangladesh participated in the Asia Pacific Joint Group On-site Visit to Sri Lanka during 16-17 September, 2019. This Joint Group On-site visit to Sri Lanka was conducted as a part of Sri Lanka's exit from Financial Action Task Force (FATF) ICRG Procedures to examine the compliance of Sri Lanka with regards to FATF Rec. 37, IO-3, IO-5 and IO-11 which Sri Lanka had already reported to the AP Joint Group that they have addressed all the deficiencies.

AP Joint Group Expert Team consists of representative from APG, Japan, Australia and India and Bangladesh. As a representing member of Bangladesh, Mr. Md. Masud Rana, Joint Director, BFIU took part face to face meeting with Sri Lankan National Coordination Committee on AML & CFT, DNFBPs Regulators, Ministry of Defense Officials, Foreign Ministry Officials, Financial Sector Officials and finally successfully contributed in drafting the Asia Pacific Joint Group On-site visit report to the FATF ICRG.

4.2 Financial Action Task Force (FATF)

Financial Action Task Force (FATF), an intergovernmental policy making and standard setter on combating ML, TF and PF continues to focus on ensuring that its standards provide strong and powerful tools to enable countries to protect the integrity of the financial system and contribute to safety and security of a country. To boost FATF's efforts in this regard Bangladesh always greets FATF's initiatives with warm appreciations and actively participates in its programs.

4.2.1 FATF Working Group and Plenary Meeting



BFIU official along with PPATK delegation at the FATF Plenary, 13-18 October 2019, Paris, France

The 1st FATF Plenary Meeting of 2019-2020 was held in Paris, France during 13-18 October 2019. Over 800 delegates representing 205 jurisdictions and international organizations attended the plenary. One official of BFIU attended the meeting as representation from Bangladesh.

It was the first Plenary under the Chinese Presidency of Xiangmin Liu, FATF's current president. The main focus of the six-day long plenary was on disrupting financial flows linked to crime and terrorism and discussing the ways out to contribute to global safety and security. The major strategic discussion of the meeting was 'Money laundering risk from "stablecoins" and other emerging assets' and 'Understanding and leveraging the use of digital identity'. The volatility and instability nature of virtual asset make financial sector risky. Furthermore, Emerging assets such as so-called "stablecoins", and their proposed global networks and platforms, could potentially cause a shift in the virtual asset ecosystem and have implications for money laundering and terrorist financing risks. Considering this, FATF strengthens its standards to address the ML & TF risks of virtual assets and agreed on how to assess whether countries have taken the necessary steps to implement the new requirements. Over the years, shifts in the traditional payment system to digital payment system point out importance of digital identification system. In this plenary, FATF released draft guidance on the use of digital identity for public consultation. Besides FATF's routine work (e. g. mutual evaluation, follow-up of mutual evaluation, identifying jurisdiction's deficiencies), FATF put emphasis on the new work on combating the laundering of proceeds of illegal wildlife trade. Other strategic initiative of the plenary was promoting and facilitating more effective supervision at national level, best practices on beneficial ownership for legal persons.

4.3 Egmont Group

The Egmont Group, comprised of 164 Financial Intelligence Units, provides a platform for the secure exchange of expertise and financial intelligence on combating money laundering and terrorist financing and serves as a trusted gateway for sharing financial information domestically and internationally in accordance with global AML & CFT standards. BFIU achieved the membership of Egmont group in the Egmont plenary held during 01-05 July 2013 in Sun City, South Africa. Through its membership BFIU has achieved access to a wider global platform which facilitates relationship-building with other FIUs and exchanging views, experiences and information via Egmont secure web. As before, BFIU has continued to participate in different programs of the Egmont Group in FY 2019-20.

4.3.1 Signing of Memorandum of Understanding

Money laundering and the financing of terrorism offenses are global in nature. So, it's imperative for the Financial Intelligence Units (FIUs) to extend cooperation and exchange information relating to ML, TF and related offences with authorities in other jurisdictions for effective case investigations. Being a member of the Egmont Group, BFIU is authorized to exchange information with 164 member FIUs through Egmont Secure Web (ESW). Going beyond its requirements as an Egmont member, BFIU has taken initiative to sign MoUs with the other FIUs, Egmont members and non-members alike, to facilitate the information exchange process and strengthen relationships with them. Until June 2020, BFIU has signed (77) seventy-seven MoUs with its counterparts. In the last FY, BFIU has extended its cooperation in signing MOU with 9 (nine) FIUs e.g. FIUs of Guatemala, Paraguay, Qatar, Tonga, Latvia, Andorra, Ecuador, Seychelles and Mauritius.

Sl.	Name of Foreign FIU/Authority	Country/ Jurisdiction	Signing Date
1.	The Superintendency of Banks through the Special Verification Intendancy of the Republic of Guatemala (IVE)	Guatemala	03 July 2019
2.	The Secretariat for the Prevention of Laundering of Money or Assets, Paraguay (SEPRELAD)	Paraguay	03 July 2019
3.	The Financial Information Unit of The State of Qatar (QFIU)	Qatar	04 July 2019
4.	The Transaction Reporting Authority of the Kingdom of Tonga (Trakot)	Tonga	21 August 2019
5.	The Financial Intelligence Unit of the Republic of Latvia (FIU-Latvia)	Latvia	29 January 2020
6.	The Financial Intelligence Unit, Principality of Andorra (UIFAND)	Andorra	29 January 2020
7.	The Financial and Economic Analysis Unit of the Republic of Ecuador (UAFE)	Ecuador	29 January 2020
8.	The Financial Intelligence Unit, The Republic of Seychelles (FIU-Seychelles)	Seychelles	29 January 2020
9.	The Financial Intelligence Unit of the Republic of Mauritius (FIU-Mauritius)	Mauritius	29 January 2020

MoU with Qatar FIU:



The Head of Bangladesh FIU, Mr. Abu Hena Mohd. Razee Hassan, along with the Head of Qatar FIU is at the MOU signing ceremony

The memorandum of Understanding between Bangladesh FIU and Qatar FIU was signed in July 2019. The Head of Bangladesh FIU Mr. Abu Hena Mohd. Razee Hassan and the Head of Qatar FIU signed for Bangladesh FIU and Qatar FIU respectively. General Manager of BFIU and other officials of both organizations were present at the signing ceremony.

MoU with Guatemala FIU:

The Heads of Bangladesh FIU and Guatemala FIU along with other representatives from BFIU



The memorandum of Understanding between Bangladesh FIU and Guatemala FIU was signed in July 2019. The Head of Bangladesh FIU Mr. Abu Hena Mohd. Razee Hassan and the Head of Guatemala FIU signed for Bangladesh FIU and Guatemala FIU respectively. General Manager of BFIU and other officials of both organizations were present at the signing ceremony.

MoU with Paraguay FIU:

The Heads of Bangladesh FIU and Paraguay FIU along with other representatives from BFIU



The memorandum of Understanding between Bangladesh FIU and Paraguay FIU was signed in July 2019. The Head of Bangladesh FIU Mr. Abu Hena Mohd. Razee Hassan and the Head of Paraguay FIU signed for Bangladesh FIU and Paraguay FIU respectively. General Manager of BFIU and other official of BFIU were present at the signing ceremony.

MoU with Tonga FIU:



The representatives from BFIU and Tonga FIU are at MOU signing ceremony

Bangladesh FIU has extended its cooperation and support to counterparts all over the world, including Pacific Island nations. As part of this venture, BFIU signed a Memorandum of Understanding with Tonga FIU in August 2019. The Head of BFIU, Mr. Abu Hena Mohd. Razee Hassan and the Head of Tonga FIU signed the MOU on behalf of their respective FIUs. General Manager of BFIU and other officials of both organizations were also present at the signing ceremony.

MoU with Mauritius FIU:



The representatives from BFIU and Mauritius FIU at MOU signing ceremony

The memorandum of Understanding between Bangladesh FIU and Mauritius FIU was signed in January 2020. Deputy Head of Bangladesh FIU Mr. Md. Eskandar Miah and the Head of Mauritius FIU signed for Bangladesh FIU and Mauritius FIU respectively. Other officials of both organizations were present at the signing ceremony.

4.3.2 26th Egmont Group Plenary Meeting and Egmont Committee, Working Group & Regional Meetings



The Head of BFIU along with other officials of BFIU at the Egmont Group Plenary Meeting, 1-5 July 2019, Hague, Netherlands

Egmont Group Plenary Meeting and Egmont Committee, Working Group & Regional Meetings held every year. The 26th Egmont Group Plenary Meeting was held in Hague, Netherlands during 1-5 July 2019 and Egmont Committee, Working Group & Regional Meetings were held in Mauritius during 27-30 January 2020.

Two delegation of BFIU, one headed by the Head of BFIU and the other headed by the Deputy Head of BFIU participated in the Plenary Meeting and Working Group Meetings respectively. Meetings of Information Exchange on ML & TF Working Group (IEWG), Membership, Support and Compliance Working Group (MSCWG), Policy and Procedures Working Group (PPWG) and Technical Assistance and Training Working Group (TATWG) were also held in both plenary. Representatives from different FIUs, observers and other partner organizations attended working group meetings and participated in topic wise discussions.

In the regional meeting, the Heads of FIUs of the Asia Pacific region discussed on several issues such as 'Public-Public Cooperation' and Trade STRs Standardization and the regional needs that the Egmont Centre of FIU Excellence and Leadership (ECOFEL) could assist. BFIU shared the experience of working as a co-sponsor with Republic of Korea FIU and Sri Lanka FIU enabling Bhutan FIU and Maldives FIU respectively to get Egmont Group membership and shared the current status of the two FIUs in the meetings. BFIU representative also informed the regional group members that the MSCWG decided to recommend for Bhutan FIU's Egmont group membership. One of the important activities of the meetings is the MoU signing ceremony between the member FIUs. BFIU has signed MoU with the FIUs of Guatemala, Paraguay, Qatar, Tonga, Latvia, Andorra, Ecuador, Seychelles and Mauritius during the meetings.

4.3.3 Sponsoring Bhutan FIU and Maldives FIU in Securing Egmont Group membership

BFIU, along with Korea FIU and FIU Sri Lanka, is sponsoring Bhutan FIU and Maldives FIU in the process of getting the Egmont Group membership. BFIU, as 'Legal Sponsor' has made off-site assessment of all the documents related to the AML & CFT legal framework and operational status of Bhutan FIU. As per Egmont membership procedures, BFIU has completed the 'Membership Criteria Template (MCT)' for Bhutan FIU and sent it to the Chair of 'Membership, Support and Compliance Working Group (MSCWG)' and Egmont Group Secretariat (EGS)' for consideration on 01 October 2019. The Chair of MSCWG has considered the MCT for Bhutan FIU and informed the co-sponsors to go for on-site visit to Bhutan on 24 October 2019. The co-sponsors' team (BFIU and Korea FIU) has conducted the on-site assessment of Bhutan FIU during 20-23 November 2019. The team has conducted series of meeting with National Coordination Committee, law enforcement agencies, relevant ministries, relevant departments of central bank, reporting entities and Bhutan FIU. Furthermore, the team has also visited the office premise of Bhutan FIU. After the visit, the team has completed the 'On-site Assessment Report (OAR)' and sent it to MSCWG and EGS along with all relevant documents on 31 December 2019. During the Egmont Group Meetings held in Mauritius in January 2020, the OAR submitted by the team has been discussed thoroughly among the members of MSCWG. After the discussion, it has been decided that the MSCWG will recommend of Bhutan FIU's Egmont Group membership to the Head of FIUs forum.



BFIU officials are with the officials of Bhutan FIU during on-site visit in Bhutan, October 2019

On the other hand, BFIU, as 'Legal Sponsor' has reviewed the documents related to the AML & CFT legal framework and operational status of Maldives FIU and identified some major gaps. The findings have been shared with the FIU Sri Lanka and Maldives FIU. Maldives is in the process of addressing the identified gaps.

4.3.4 Bilateral Meeting with Foreign FIUs

Officials of BFIU at the bilateral meeting with UAE FIU



Delegation of Bangladesh FIU, headed by the Deputy Head of BFIU, has conducted 04 (four) bilateral meetings with FIUs of United Kingdom, United Arab Emirates (UAE), Switzerland and Guernsey during Egmont Group Meetings held in Mauritius during 27-30 January 2020. The Heads and other representatives of the said FIUs have attended the bilateral meetings. Several bilateral issues, including the possibility of faster information exchange and signing of MOU, have been discussed in these meetings. All the said FIUs commit to continued cooperation with Bangladesh FIU on achieving the common goals.

4.3.5 Intelligence Exchange at the International Level

As a member of the Egmont Group of FIUs, BFIU exchanges information with the member FIUs through Egmont Secure Web (ESW) as and when required. BFIU also exchanges information with the non-Egmont member FIUs. During FY 2019-20 BFIU has received 18 requests from the FIU of different countries/jurisdictions and provided information accordingly. BFIU has also made 103 requests to the FIU of different countries/jurisdictions. Among them 3 requests were sent to the non-Egmont member FIUs. The list of information exchange request received and made by BFIU in the last 5 years is given below:

Year	Request Received	Request Made
2015 -2016	31	186
2016 -2017	17	388
2017 -2018	28	57
2018 -2019	34	62
2019 -2020	18	103

4.4 Conference of the States Parties (COSP) of the United Nations Convention against Corruption (UNCAC)



Bangladesh delegation at the 8th Session of States Parties, 16-20 December 2019, Abu Dhabi, United Arab Emirates

Illicit proceeds from corruption comprise one of the largest sources of money laundered and stashed abroad. The problem is even more acute for developing countries, which as a group; continue to lose billions of dollars each year in corruption proceeds to more developed countries, tax haven counties and so on. The United Nations Conventions against Corruption (UNCAC) is the only legally-binding international multilateral anti-corruption instrument that entered into force in 2005. Bangladesh has signed and ratified the treaty in 2007. A delegation of Bangladesh participated at the 8th Session of

States Parties which was held in Abu Dhabi, United Arab Emirates from 16 to 20 December, 2019. The said delegation was led by the Honourable Minister for Law, Justice and Parliamentary Affairs (MLJPA), Mr. Anisul Huq MP, Chairman of ACC, Head of BFIU and other officials. The Conference of State Parties (COSP) was held concurrently with the 2nd resumed 10th session of the Implementation Review Group (IRG), a subsidiary body of the COSP responsible for the review process and technical assistance requirements for effectively implementing the Convention.

Like previous sessions, the 8th sessions focused on the development of preventive mechanisms and facilitating the exchange of information and experience among countries alongside the diffusion of best practices. The last few decades have witnessed a bigger role being played by civil society and non-governmental organizations (NGOs) and the 8th session of the Conference included special programs on encouraging cooperation among all stakeholders and sectors of society in the anti-corruption drive. The Conference also decided to highlight the use and effectiveness of asset declaration systems and conflicts of interest as its topic for 2018 session and lessons learnt on the development, evaluation and impact of anti-corruption strategies in 2019 session.

4.5 2nd Cycle Review of US about the implementation of UNCAC



BFIU Official as a State Expert on the 2nd Cycle Review of US about the implementation of UNCAC, 15-19 July 2019, USA

UNCAC 2nd Cycle Review of US was conducted jointly by experts from Bangladesh and the Netherlands. Senior Secretary, Legislative and Parliamentary Affairs Division of Ministry of Law, Justice and Parliamentary Affairs led the Bangladesh team and Mr. Kamal Hossain, DGM, BFIU participated as UNODC enlisted expert on behalf of Bangladesh Government.

UNCAC was adopted in 2003 for the prevention of Corruption and USA has accessed this convention with some restrictive conditions. This convention includes eight chapters and 71 articles. Under 2nd cycle review, the member countries were reviewed on articles relating to transparency and accountability of government decision-making process, Preventive anti-corruption policies and practices, Preventive anti-corruption body or bodies, Public sector corruption, Codes of conduct for public officials, Public procurement and management of public finances, Measures relating to the judiciary and prosecution services, Private Sector corruption, Participation of society for the prevention of corruption, Measures to prevent money laundering, Different forms of international cooperation, Transfer of criminal proceedings etc.

During on-site expert team of both the countries had several meetings with Department of State, Department of Justice, Department of the Treasury, Office of Government Ethics, Office of the Special Counsel, Government Accountability Office, Federal Election Commission, Office of Federal Procurement Policy, Office of Management and Budget, Council of Inspectors General on Integrity and Efficiency, Office of Administration, US Courts, House Committee on Ethics, FCPA Unit, Securities and Exchange Commission, Financial Crimes Enforcement Network (FinCEN) and different civil societies. The submitted report will be adopted in the next State Party Conference of UNCAC through IRG of UNODC.

4.6 The Eleventh Meeting of the BIMSTEC Sub-Group on Anti-Money Laundering and Combating the Financing of Terrorism (SGAML-CFT)



Bangladesh delegation at the eleventh meeting of the BIMSTEC Sub-Group on Anti-Money Laundering and Combating the Financing of Terrorism (SGAML-CFT), 03-04 September 2019, Thailand.

The Eleventh Meeting of the BIMSTEC Sub-Group on Anti-Money Laundering and Combating the Financing of Terrorism (SGAML-CFT) was held during 03-04 September 2019 in Bangkok, Thailand. Delegations from all BIMSTEC member countries (Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand) attended the Meeting. A four member Bangladesh delegation, headed by Deputy Head of BFIU, joined the meeting.

In connection with tenth meeting which was held in 2018 in Kathmandu, Nepal, many issues like updating the National Risk Assessment (NRA), arranging capacity building programmes, Bilateral Memorandums of Understanding (MOU) on Exchange of Financial Intelligence, progress on obtaining Egmont Group Membership of those who still do not have it, were discussed during the meeting. Moreover, a discussion was held on the Concept Note on Illicit Financial Flows (IFF) among the BIMSTEC Member States to identify the Action Plan to be implemented. Different case studies on IFF, terrorist financing and tax evasion induced money laundering were also presented by the member states.

Bangladesh delegation actively participated in all the discussions. They also articulated findings on IFF based on GFI report'2015 to demonstrate how important it is for the member states to fight IFF along with a real case study on IFF for a better understanding about typology.

4.7 Workshop on Experience in Counter Terrorism



*Bangladesh delegation along with the participants of 'BIMSTEC SG-CFT Workshop',
27-19 November 2019, Colombo, Sri Lanka*

BIMSTEC SG-CFT Workshop on "Experience in Countering Terrorism and Terrorist Financing through Case Studies" was held during 27–29 November 2019 in Colombo, Sri Lanka. The program was hosted by the Financial Intelligence Unit of Sri Lanka in collaboration with the Ministry of Foreign Affairs. BIMSTEC is a sector-driven cooperative organization and counter terrorism is one of the 14 sectors of BIMSTEC forum. A two-member delegation from BFIU participated in the workshop.

The workshop provided a great opportunity to enhance the cooperation and coordination in the area of combating the financing of terrorism. In the workshop, several topics on terrorist financing, ways of investigating terrorist financing, legal framework for CFT, TF investigation planning considerations, case studies on the Liberation Tigers of Tamil Eelam (LTTE), experience on terrorist financing in Bangladesh, Myanmar, Nepal & Thailand, narcotics and terrorism, role of the competent authority for countering the terrorism and financing of terrorism, intelligence management process at the FIU were discussed.

4.8 5th Regional Counter Terrorism Financing Summit



Participants from Bangladesh at the 5th Regional Counter Terrorism Summit, 12-14 November 2019, Philippines

The 5th CTF Summit hosted by the Philippines' Anti-Money Laundering Council (AMLC) of Philippines, in partnership with Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Indonesian Financial Transaction Reports and Analysis Centre (PPATK) was held in Philippine during 12-14 November 2019.

The Summit was a conglomerate of over 350 representatives from 29 countries consisting of officials and experts from financial intelligence units, senior representatives from the policy, regulatory, law enforcement and national security agencies, the FinTech/RegTech industry, financial industry, multi-lateral bodies, think tanks and academia from across the region and the globe. A six-member delegation from Bangladesh participated at the summit.

The theme of the CTF Summit was 'Together United - Strengthening Our Region'. Participants reflected on the growth and the substantial achievements of the Summit and its working groups since its establishment in 2015. This includes the evolution of the regional Financial Intelligence Consultative Group (FICG) to both improve the understanding of key regional TF risks and strengthen operational collaboration between regional FIUs on mutually agreed transnational crime priorities. The Summit addressed a range of key and emerging money laundering and terrorism financing issues, including child exploitation, human trafficking, wildlife smuggling, TBML and corruption. The abuse of crowd funding, social media platforms and virtual assets were also considered. There were total 12 different sessions/Panel discussions held about the above mentioned issues.

4.9 Asset Recovery Interagency Network Asia Pacific (ARIN-AP) Annual General Meeting



Bangladesh delegation at the ARIN-AP annual general meeting, 23-27 September 2019, Mongolia

Bangladesh delegates, comprises with the officials from Ministry of Home Affairs, CID of Bangladesh Police and BFIU attended at the annual general meeting and the workshop of Asset Recovery Interagency Network Asia Pacific (ARIN-AP) held in Ulaanbaatar, Mongolia during 23-27 September 2019.

ARIN-AP is an informal network of experts and practitioners in the field of asset tracing, freezing and confiscation which intends to serve as a cooperative group in all aspects of tackling the proceeds of crime in the Asia-Pacific region. It was officially launched at the inaugural meeting held in Seoul during 19-20 November 2013. Currently, there are 25 member jurisdictions of ARIN-AP and nine observers. ARIN-AP is modeled on Camden Assets Recovery Interagency Network (CARIN). The Secretariat of ARIN-AP is located in the Republic of Korea.

Bangladesh attended at this year's program of AIRIN-AP for the first time. During the annual meeting of ARIN-AP, Bangladesh delegates meet with its Steering Group Members and Vice Chief, ARIN-AP Secretariat to discuss about the membership process and benefits. Currently, Bangladesh is being actively considered to be a member of ARIN-AP according to the recommendation of visiting team. During the annual meeting and workshop, several other issues were discussed, including Asset Tracing, Restoration, Recovery, Seizure of Cryptocurrencies and challenges of Asset Recovery. As a member of Bangladesh delegates Mr. Kamal Hossain, Deputy General Manager of BFIU, presented 'Challenges of Asset Recovery: Special Focus on Beneficial Owner'. He also participated as a panelist in other two sessions.

4.10 Bilateral Counter Terrorism Financing Banking Dialogue



*Participants of the Bilateral Counter Terrorism Financing Banking Dialogue,
28-31 October 2019, USA*

A bilateral banking dialogue on Counter Terrorism Financing was held during 28-31 October 2019 in North Carolina of the United States of America (USA). The dialogue was arranged jointly by the State Department and Department of Justice of USA and the BFIU of Bangladesh. A four-member team from BFIU under the leadership of the Head of BFIU Mr. Abu Hena Mohd. Razee Hasan attended the dialogue.

The main objective of the dialogue was to increase awareness and active participation of the top level management of the banking sector in countering the financing of terrorism. Along with the BFIU officials, 22 (twenty-two) Managing Directors/Chief Executive Officers attended the dialogue. At the very first day, General Manager of BFIU, enlightened the participants with a descriptive updated status of various initiative of Bangladesh in countering terrorism finance and fighting money laundering. At the various sessions, the senior officials from different agencies, both government and non-government, of USA uphold updated status of various initiatives by their country in countering terrorism finance and fighting money laundering. Furthermore, the participants from the banking sector of Bangladesh described about initiatives taken and discussed about the way of developing them in international standard. At the second day the participants of the program visited USA's one of the biggest commercial bank, Bank of America to gather practical experience in fighting the risk of ML & TF in banking sector. The four-day long dialogue ended with the speech of the Head of BFIU and Mr. Andrew Mari, Attorney General of North Carolina USA.



Professional Development of BFIU Officials

Professional Development of BFIU Officials

The Professional Development program seeks to assist officials in their knowledge and skill development by serving as a gateway to available resources. Human resources are the most vital among all resources for any organization. The future of an organization mostly depends on the efficiency of its officials. Different professional courses, training programs and workshops enable officials to make appropriate decisions among several choices. From its beginning, BFIU has always sought to foster excellence in its workforce for achieving the best outcomes. Like previous years, BFIU took several initiatives for its employees' professional development in this fiscal year. Officials of BFIU have participated in several workshops and training programs both at home and abroad this year. The Unit has received cooperation from several international organizations and foreign agencies for training, workshops and seminars. Some of the Unit's officials have contributed to different AML & CFT forums globally with technical and expert assistance.

5.1 Joint FATF/APG Assessor Training Workshop

BFIU Official with other participants in the Joint FATF/APG Assessor Training Workshop, 2-6 September 2019, Indonesia



PPATK, Indonesia (FIU of Indonesia), and AUSTRAC (FIU of Australia) jointly organized a Joint FATF/APG Assessor Training workshop in Bandung, Indonesia, during 2-6 September 2019. The workshop aimed to prepare the experts to participate as assessors for FATF and APG mutual evaluations in 2020-2021 and 2021-2022. Fifty-three (53) participants from 19 countries around the world participated in the workshop. The workshop was divided into 13 modules where expert resources from FATF, APG, and member jurisdictions shared their knowledge, views, and experiences. Mr. Khandakar Ashif Rabbani, Joint Director of BFIU attended the workshop and successfully completed the modules.

5.2 Fintelekt Asia AML & CFT Summit



BFIU Official along with the attendees of the program 'Fintelekt Asia AML & CFT Summit'

Fintelekt Asia AML & CFT Summit was held during 11-12 September 2019 in Hanoi, Vietnam. A number of FIU/Regulatory representatives from Asia region, and senior compliance officers of banks, financial services and law enforcement agencies across Asia attended this summit. Mr. Mohammad Abdur Rab, Joint Director of BFIU attended as a Panelist in the Interactive Panel Discussion on "Regulatory Expectations and the Way Forward for AML & CFT in Asia".

5.3 Enhancing the Capacity of Member States to prevent cyber attack



Bangladesh Representatives at the workshop on Enhancing the Capacity of Member States to Prevent Cyber Attacks, 3-6 September 2019, Tokyo, Japan

A workshop on 'Enhancing the Capacity of Member States to Prevent and Investigate Cyber Attacks by Terrorist actors and Mitigate their Impact' was held in United Nations University, Tokyo, Japan during 3-6 September 2019. The workshop was organized by the United Nations Counter-Terrorism Centre (UNCCT) in collaboration with United Nations Office on Drugs and Crime (UNODC) and INTERPOL. Intelligence officers, Investigators, Cyber Experts and Policy makers from Bangladesh, Brunei, Lao PDR, Philippines and Thailand attended the workshop.

A delegation comprising officials of MoHA, Ministry of ICT, BFIU, Bangladesh Police and DGFI participated in the workshop. At the workshop, the participants took part in various group exercises to discuss and review regional good practices in cyber security.

5.4 Cross-Regional Workshop on AML & CFT for BIMSTEC Member States: International Standards, Financial Analysis and Effective Cooperation



BFIU officials along with other participants at BIMSTEC Cross-Regional Workshop, 13-15 August 2019, Bangkok, Thailand

A Cross-Regional Workshop on AML & CFT for BIMSTEC Member States: International Standards, Financial Analysis and Effective Cooperation jointly arranged by the United Nations Office on Drugs and Crime (UNODC) and the Anti-Money Laundering Office of Thailand (AMLO) was held in Bangkok, Thailand during 13-15 August 2019. Twenty-seven participants from six BIMSTEC member countries; Bangladesh, Bhutan, Myanmar, Nepal, Sri Lanka and Thailand attended the program where two officials of BFIU delegated Bangladesh.

The three-day long workshop was inaugurated by Deputy Secretary General of Anti-Money Laundering Office of Thailand (AMLO) with a welcome speech. At the workshop the participants were given an overview of UN Frameworks and FATF Recommendations, Cybercrime and Crypto currencies: Money Laundering & Terrorist Financing Trends, different investigation techniques and Mechanisms of Public-Private Cooperation and many other burning issues of recent times in AML & CFT arenas.

At the sessions, the participants learned about the strategies of the terrorists in abusing charity for financing in terrorism, various recent UNSC Resolutions, misuse of cyber technology for money laundering and terrorist financing in depth. Additionally, the program created an excellent bridge for the participants in building a strong network of interpersonal connection and mutual understanding in dealing with AML & CFT cases.

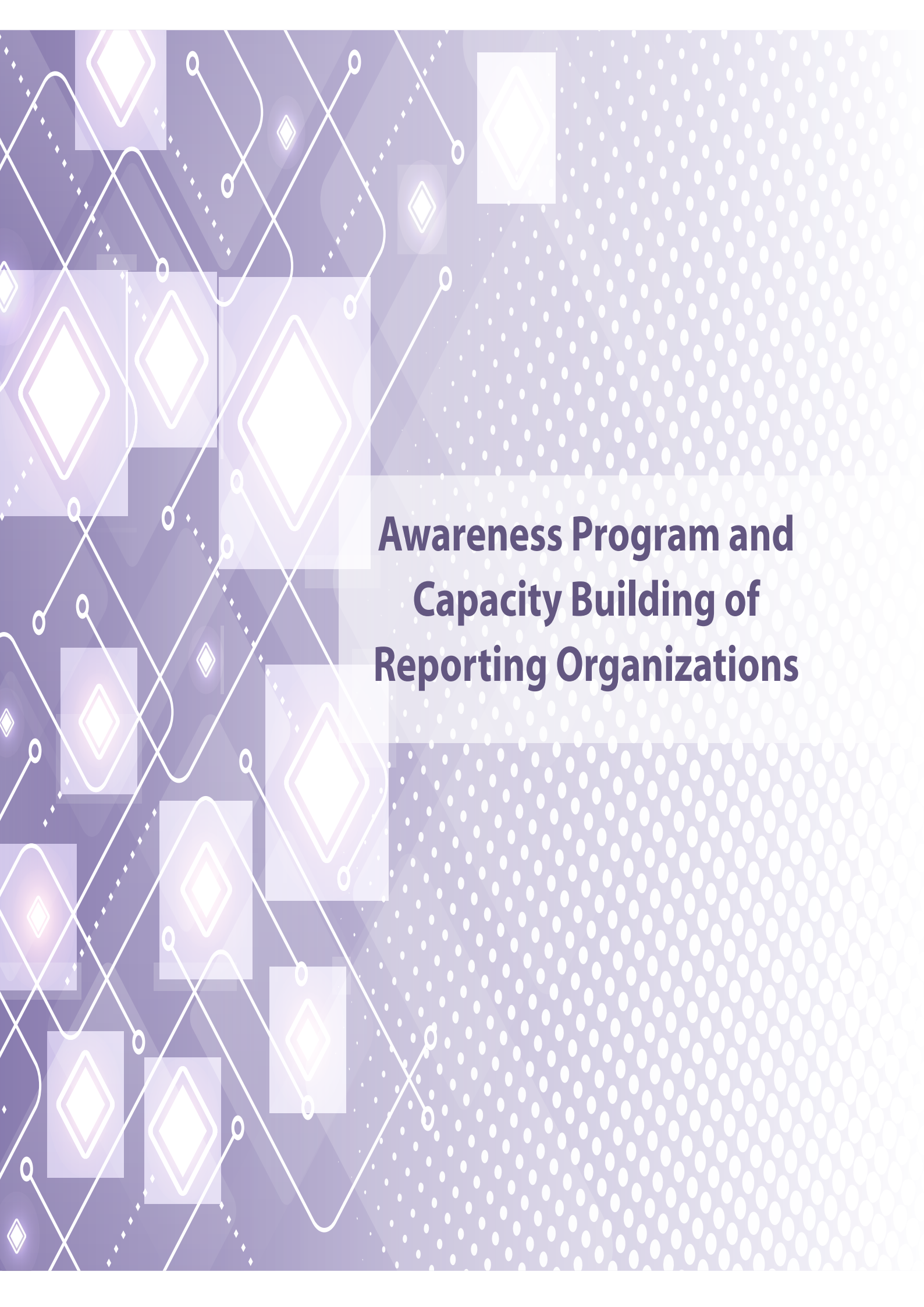
5.5 In-house Training

BFIU arranges in-house training programs regularly to enhance the capacity of its officials. Whenever an official receives training or attends a workshop, seminar, summit, etc. at home or abroad, s/he has to share her/his experience with all other officials of BFIU. This culture not only maximizes the utility of the training program, workshop, seminar, summit, etc. cost effectively but also spreading the knowledge and competencies gained throughout the Unit. Apart from that, BFIU also invites resource persons for its in-house training to discuss updated regulatory frameworks both home and abroad.

In FY 2019-20, BFIU arranged four (4) in-house training programs on various topics such as Trade Based Money Laundering, Money Laundering Prevention (Amendment) Act 2015, Money Laundering Prevention Rules 2019 and e-KYC regulations.

5.6 Domestic Training Program

Bangladesh Bank Training Academy and Bangladesh Institute of Bank Management arrange training programs for banking sector officials on a regular basis. In FY 2019-20, 15 officials of BFIU received training on diverse topics related to the banking sector such as Techniques for Inspection of Banks and NBFIs and Report Writing, Prevention of Money Laundering in New Payment Systems, IT Auditing, Leadership Development, Integrity and Anti-Corruption in the financial Sector, Financial Crime and Compliance Issues in Banks, English Language Proficiency Course, TOT on Trade Based Money Laundering, Annual Banking Conference-2019, Understanding and Analysis of Financial Statements of Banks, Prevention of Money Laundering and Terrorist Financing, Network and Hardware Security Awareness, Financial Inclusion, Payment & Settlement System in Bangladesh etc.



Awareness Program and Capacity Building of Reporting Organizations

Awareness Program and Capacity Building of Reporting Organizations

Regular AML & CFT related awareness and capacity building programs enhance employees' vigilance about the latest ML, TF & PF risks and mitigate those risks. Any FIU's primary objective is to receive and analyze STRs/SARs and disseminate intelligence reports to relevant LEAs. An FIU's effectiveness primarily relies on ROs ability to detect and report suspicious transactions/activity properly. BFIU relentlessly works on enhancing the capacity of its ROs on AML & CFT related issues since its inception. All of these efforts ensure better compliance of the ROs with applicable laws and rules thereunder. As part of initiatives to make them aware of AML & CFT risks, BFIU arranges meetings, workshops, seminars, conferences, and training programs for the ROs of Bangladesh from time to time and provides resource persons to ROs, LEAs, and other regulatory bodies to enhance their understanding of AML & CFT issues.

6.1 CAMLCO Conference

To provide appropriate guidance to the ROs, inform them of the latest trends in the ML & FT scenario and ensure their compliance with existing domestic and international regulations and guidelines, BFIU arranges annual conferences for the AML & CFT compliance officers of different types of ROs separately. Such conference is popularly called annual CAMLCO Conference and it serves as a hub of discussion and knowledge sharing on AML & CFT issues, combating ML & FT threats and conforming to updated regulatory frameworks etc.

6.1.1 CAMLCO Conference for the Banks

Banks comprise the most significant parts of the ROs that share the majority of the reports to BFIU. To equip them with appropriate knowledge, provide guidance, raise awareness and share industry best practices, BFIU arranges CAMLCO conference for the scheduled banks every year.



Governor, Bangladesh Bank is addressing as Chief Guest at the Inaugural Session of CAMLCO Conference of Banks, 14-16 February, 2020, Habiganj

BFIU in collaboration with the Association of Anti-Money Laundering Compliance Officers of Banks in Bangladesh (AACOBB) organized the 16th CAMLCO Conference for the scheduled banks during 14-16 February 2020 at Habiganj, Sylhet. Mr. Fazle Kabir, Governor, Bangladesh Bank enlightened the program as Chief Guest while Mr. Abu Hena Mohd. Razee Hassan, Head of BFIU and Mr. Quazi Enayet Hossain, Executive Director of Bangladesh Bank, Sylhet office were present as special guests. The three-daylong program was presided over by the Executive Director of Bangladesh Bank and Deputy Head of BFIU Mr. Md. Eskandar Miah while the closing ceremony and working sessions were presided over by the General Manager of BFIU, Mr. Md. Zakir Hossain Chowdhury. Senior officials of Bangladesh Bank, concerned BFIU officials, CEOs of several banks and the CAMLCOs and Deputy CAMLCOs of all the scheduled banks attended the conference.

At the opening remarks, the General Manager of BFIU focused on the objective of the conference that is to set the best course of action and determine a future path to develop a whistle-blowing culture to prevent money laundering and illegal flow of income in the banking sector. President of ACCOBB requested all CAMLCOs to analyze whether money laundering has any connection with the recent increase in the default loans. Chairman, Association of Bankers Bangladesh (ABB) expressed concern over the increase in non-performing loans and ABB's firm commitment to do business with proper compliance simultaneously.

Head of BFIU, recalling the sacrifices of the language martyrs with reverence on the eve of International Mother Language Day and expressing gratitude on the eve of the birth centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, informed that Bangladesh Bank and other regulatory bodies are taking necessary steps to ensure 'Fit and Proper Test' so that the criminals cannot be the beneficial owners of any bank, financial institution or other reporting organization. Governor, Bangladesh Bank emphasizing on establishing discipline in the banking sector to help Bangladesh reach the status of a developed country by 2041 called upon everyone to be more vigilant to ensure balanced economic development of the country and prevent money laundering and terrorist financing. Deputy Head of BFIU called upon banks to place more emphasis on reporting STR/SAR, upon money laundering through loans and international trade along with deposit related matters.

A total of 06 papers on money laundering, financing of terrorism and other related issues were presented in different sessions of the three-day conference. Mr. Kamal Hossain, Deputy General Manager of BFIU presented the keynote paper on the main theme of the conference 'Whistle Blowing: A Tool for Identification of Financial Crime: Challenges and Opportunities'. Mr. Md. Sawkatul Alam, the then Deputy General Manager of BFIU presented on 'Available Whistle Blowing Tools and Their Effectiveness' in the second working session of the second day of the conference. Mr. Ali Reza Iftekhar, Managing Director, Eastern Bank Ltd. presented the paper on 'Credit Backed Money Laundering: Challenges for the Banker' in the third working session. Mr. Matthew Robert Miller George, Executive Director, Compliance, JP Morgan Australia presented a paper on 'Anti-bribery and Corruption Policy of Banks and its Implication on Correspondent Banking Relationship' in the fourth working session of the second day. Mr. Muhammed Mohsin Hossaini, Deputy

General Manager of BFIU presented the paper on 'Risk Based Supervision and Expectation of Supervisors' in the fifth working session. On the third day of the conference, a session on e-KYC guidelines was presented by Mr. Md. Masud Rana, Joint Director, BFIU and an informative session on Trade-Based Money Laundering was presented by Mr. Md. Khairul Anam, Joint Director, BFIU. Finally, an open discussion on selected topics session was conducted by the Head of BFIU.

To ensure better AML & CFT compliance in the banking industry and keep banking sector free from ML & TF risk, the following important decisions on increasing banks' capacity to monitor FinTech, RegTech, and virtual currency, reporting to BFIU if there is an element of money laundering in a loan proposal-to-disbursement process and at the end-user level, raising awareness about whistle blowing tools and the security of whistle blower through training programs, reducing cash transactions, submitting of STR/SAR by the banks that did not submit STR/SAR, reviewing enterprise level AML & CFT risk assessment report in preventing TBML and updating it, implementing e-KYC related action plan, introducing a "Quarterly Evaluation" system to implement the recommendations adopted at the CAMLCO conference and organize an annual exchange of views with the participation of ABB and AACOBB on the implementation of the recommendations were made.

6.1.2 CAMLCO Conference for Insurance Companies



Chairman of Insurance Development and Regulatory Authority as Chief Guest at the Inaugural Session of the CAMLCO Conference for Insurance Companies, 19-20 December, 2019, Cox's Bazar

BFIU, along with Insurance Development and Regulatory Authority (IDRA) arranged the CAMLCO Conference 2019 for Insurance Companies (ICs) during 19-20 December 2019 in Cox's Bazar. The Chairman of Insurance Development and Regulatory Authority (IDRA) inaugurated the two-day long conference. Members of IDRA, the Executive Director & Deputy Head of BFIU and the CEOs of several insurance companies were present. Besides, CAMLCOs of all insurance companies along with officials of BFIU, IDRA and ministry of finance attended the program.

The purpose of the program was reviewing the AML & CFT activities in the previous year and preparing a work plan emphasizing increased awareness on AML & CFT activities, introducing risk-based approach and implementation of UNSCRs, ensuring involvement and awareness of both the higher authority and board members of ICs.

Several important issues like vulnerabilities and risk in the insurance sector, the role of IDRA in monitoring and supervision of AML & CFT issues; the role of underwriters in mitigating ML & TF risk; challenges in implementing AML & CFT measures in insurance companies; AML & CFT risks in the insurance sector; the role of senior management for effective implementation of AML & CFT measures were discussed in the conference. Furthermore, several emerging topics like Financial Crime and the Insurance Industry: Global and Local Perspective, appropriate AML & CFT compliance culture for the insurance sector: the way forward for implementation of AML & CFT framework in insurance sector: a risk-based approach, digital KYC/e-KYC regulations and insurance sector in a digital age were discussed at length which elicited an outstanding response from the audience.

6.2 Capacity Building Initiatives for NGO/NPO



Principal Secretary, Prime Minister's Office as Chief Guest of the workshop on AML & CFT for NGO/NPO's CEOs and CAMLCOs on 19 November, 2019, Panchagar

NGO/NPOs who receive foreign donation have to take registration from NGO Affairs Bureau (NGOAB) for receiving foreign Donations under the Foreign Donations act, 2016. BFIU provides valuable opinion to NGOAB regarding the NGOs registration, recruiting its directors, donors, relevant bank accounts through ministry of finance on ML & TF issues. Moreover, BFIU arranges training and awareness-building programs for the NGO/NPOs on AML & CFT issues from time to time.

On 19 November 2019 BFIU arranged a daylong workshop in Panchagar Area. Mr. Md. Nazibur Rahman, Principal Secretary of Prime Minister's Office, inaugurated the workshop as Chief Guest. Mr. Md. Eskandar Miah, Deputy Head of BFIU was special guest while Mr. K. M. Abdus Salam, Director General of NGOAB chaired the program. More than 100 NGO officials participated in the workshop with great enthusiasm.

6.3 Town Hall Meeting on AML/CFT for CEOs and CAMLCOs of NGOs of Khulna region



High Officials of BFIU along with the Chief Guest, Director General of NGO Affairs Bureau at the Town Hall Meeting, 19 October 2019

NGOAB and BFIU jointly organized a daylong seminar on AML/CFT for the CEO and CAMLCOs of NGO/NPOs of Khulna region on October 19, 2019, at BRAC Learning Center, Jessore. Director General of NGOAB, inaugurated the program as Chief Guest while Head of BFIU was the Guest of Honor and District Commissioner of Jessore, was the Special Guest. Deputy Head of BFIU presided over the program. The CEOs and CAMLCOs of 80 NGOs of Khulna region and concerned officials of BFIU and NGOAB were present at the program.

Speakers of the meeting focused on effective ways for the successful implementation of rules, regulations and circulars by the NGOs. Head of BFIU called upon the NGO sector officials to work diligently on ML & TF issues to protect country, financial sector from these menace. Furthermore, Director General of NGOAB advised NGOs officials to be vigilant in following and implementing the provisions of the laws and regulations to achieve the government's Vision-2041.

At the end of the seminar, some important recommendations including in issuing an updated circular for NGO/NPOs after reviewing the existing rules and regulations under AML & CFT, remaining vigilant while opening accounts, reporting to BFIU about suspected organizations, arranging regular training programs on AML & CFT for its officials, and upholding integrity as per government guidelines under National Integrity Policy were adopted.

6.4 Workshop on Enabling AML & CFT Compliance in expanding DFS for Low-Income Segments



Head of BFIU addressing as Chief Guest at the workshop

BFIU organized a workshop in collaboration with United Nations Capital Development Fund (UNCDF) for the Digital Financial Service (DFS) sectors (Mobile Financial Services, Payment Service Provider & Payment System Operator) during 13-14 March 2020 at Rajendrapur, Gazipur. Head of BFIU inaugurated the workshop as Chief Guest. The Executive Director & Deputy Head of BFIU was present as Special Guest and General Manager of BFIU presided over the two day long workshop. Officials of BFIU, General Managers of Payment Systems Department & Sustainable Finance Department of Bangladesh Bank, MD/CEOs from different financial service providers along with concerned officers were present in the workshop.

In the opening sessions of the workshop, presentations on "Supply-side Challenges for Expanding Merchant Payments particularly to low-income segments and MSMEs" from BFIU, UNCDF and DFS Providers highlighting "Strategies for Overcoming the Challenges in Merchant Payments for MSME" and "Enabling AML & CFT Measures for DFS" were rendered. At the workshop some important and time befitting issues were discussed while participants had the scope to share their experiences and views. At the closing session, recommendations were made to be implemented in the near future to strengthen the AML & CFT compliance structure of the sector.

6.5 Advisory Group Meeting on “Effective Management of Criminal Assets, including Frozen or Restrained Terrorist Assets”



Participants of the program along with Head of BFIU

United Nations Office on Drugs and Crime (UNODC) and BFIU organized an advisory group meeting to manage criminal assets, which is one of the complex issues in the stolen asset recovery process. The meeting was held during 26-27 February 2020 in Dhaka with participants from the Ministry of Finance, Nepal, Anti-Corruption Commission, CID, Bangladesh Police, Legislative and Parliamentary Affairs Division, and Ministry of Foreign Affairs. UNODC consultant Mr. Guy Sayers facilitated discussion on challenges and approaches to the effective management of criminal assets, including frozen or restrained terrorist assets. He also gave an overview of UNODC's tools and technical assistance provided in this regard. Anti-Corruption Commission of Bangladesh presented the national, legal and institutional framework existing in Bangladesh, and representatives from the Ministry of Finance, Nepal, described Nepal's legal system for asset management. The participants emphasized the importance of establishing a single asset management office for proper and effective criminal assets management. The UNODC Handbook on the asset management strategy was reviewed and discussed by the participants.

6.6 Workshop on Proliferation Financing Risk Assessment for Private and Public Sector Stakeholders



Participants of the workshop on Proliferation Financing Risk Assessment for Public Sector Stakeholders, 26-28 November 2019, Dhaka

Bangladesh Financial Intelligence Unit (BFIU) and the Royal United Services Institute (RUSI) jointly organized two workshops, a one-day long and another three-day long, on proliferation financing risk assessment for private and public sector stakeholders, respectively. The private sector-related workshop was hosted on 25 November 2019 and public sector-related workshop took place during 26-28 November 2019. Both workshops were held in the Hotel Intercontinental Dhaka. Head of BFIU inaugurated the three-day-long workshop for public sector stakeholders, and the Executive Director and Deputy Head of BFIU inaugurated the day-long workshop for private sector stakeholders. Around 55 participants from the private sector and 25 participants from the public sector attended those workshops.

Proliferation financing is a relatively new topic in the AML & CFT arena in our country. The main objective of the workshop was to make private and public sector stakeholders' familiar with proliferation financing and helping them assess the risk arising from proliferation financing. The workshop started with the basic concept of proliferation financing, then detailed identification, assessment, challenges, threats & vulnerabilities, consequences, mitigation strategies of this risk. The international sanctions on DPRK and how DPRK uses cryptocurrency to circumvent sanction regime and raises revenue from illicit activities where also discussed. The final part of this workshop focused on assessing national proliferation risk and addressing probable mitigation strategies to minimize those risks.

6.7 National Capacity-Building on Countering the Financing of Terrorism Measures for Non-Profit Organizations (NPOs)



BFIU officials with other participants of the program, 3-4 December 2019, Dhaka

A joint BFIU-UNOCT Workshop was organized under the UNOCT-UNCCT Capacity-Building Project on Countering the Financing of Terrorism through Effective National and Regional Action during 3-4 December 2019 in Dhaka. The workshop aimed to facilitate cooperation among different government agencies and increase their involvement in current efforts to combat financial crimes. Head of BFIU inaugurated the workshop as a chief guest while General Manager of BFIU attended the program as special guest.

The workshop was an intellectual hub of 34 participants from BFIU, RJSC, NGO Affairs Bureau, Microcredit Regulatory Authority, Department of Social Services, Oxfam, Action Aid Bangladesh, Save the Children International, Global Unnayan Seba Sangstha, Qatar Charity, Social Agency for Welfare and Advancement in Bangladesh, United Purpose Bangladesh, Muslim Aid, Dhaka Ahsania Mission, Christian Aid, Proshika Manobik Unnayan Kendra, Netherlands Development Organization and ASA.

Resource persons from UNOCT, Indonesian FIU PPAATK, UK Charity Commission, Canadian Revenue Agency, EU Global Facility on AML & CFT, Western Union, National Bank of Bahrain, and BFIU came together to explore different types of financial crimes and their investigation, litigation and prosecution techniques. The resource persons also presented case studies, shared best practices, and strategies for effectively combating financial crimes in the NGO/NPO sector.

The workshop's overall result was an engaging and informative event that inspired constructive ideas for the future. The workshop was centered on a shared ethos and considered many approaches to learning, building relationships, and development in further measures for terrorist financing.

6.8 Advance Course on Financial Crime Investigation



Participants along with Chief Guest at the workshop, 20-21 November 2019, Dhaka

Bangladesh Financial Intelligence Unit (BFIU) hosted a successful workshop on “Advance Course on Financial Crime Investigation” during 20-21 November 2019 in the Dhaka Metropolitan Chamber of Commerce Auditorium. Head of BFIU inaugurated the ceremony as the chief guest while the Executive Director of Bangladesh Bank and Deputy Head of BFIU attended as special guest on the occasion. General Manager of BFIU articulated the chair of the program.

The meeting aimed to facilitate cooperation amongst different state agencies and increase involvement in current efforts to combat financial crimes. Over two days, participants from Anti-Corruption Commission (ACC), Criminal Investigation Department (CID) Bangladesh Police, Customs Intelligence and Investigation Directorate (CIID), Central Intelligence Cell of the National Board of Revenue (NBR), Department of Narcotics Control (DNC), Bangladesh Securities and Exchange Commission (BSEC) and BFIU explored different types of financial crimes and their investigation, litigation and prosecution techniques. Resource persons from BFIU, ACC, and CID presented case studies, shared best practices, and guided strategies for effectively combating financial crimes. The two-day long program ended with the vow from the participants to take effective initiatives in AML & CFT investigations.

6.9 Capacity Building Initiatives for DNFBPs

Designated Non-Financial Businesses and Professions (DNFBPs) include real estate agents, dealers in precious metals & stones, accountants, lawyers, trust and company service providers. Criminals consistently target DNFBPs for criminal activities and to facilitate theft, fraud, money laundering and other crimes. As a result, the risks related to this sector lie in the potential misuse for ML & TF. Considering these risks, BFIU has adopted effective measures in line with the FATF recommendations in an attempt to prevent the misuse of DNFBPs in ML & TF.

BFIU has already issued guidelines and master circular for DNFBPs. Furthermore, Sectoral Risk (AML & CFT) Assessment of Real Estate Sector has completed and its sanitized version has been published on the website. Presently, with the help of World Bank, Sectoral Risk (AML & CFT) Assessment of Dealers in Precious Metals & Stones (DPMS Sector) has been initiated. The AML & CFT risk assessment of other sectors of DNFBPs is also going on.

In FY 2019-20, BFIU has rendered awareness programs to raise AML & CFT awareness of the listed firms of Institute of Chartered Accountant Bangladesh (ICAB) who organizes Continuing Development Program (CPD) periodically. BFIU has already provided them with expertise who delivered awareness lectures on CPD. Besides, BFIU has developed a risk assessment questionnaire for Real Estate Developers, risk assessment questionnaire for DPMS, risk assessment questionnaire for Lawyers and checklist for system check inspection of Real Estate Developers and DPMS.

Furthermore, BFIU has taken several initiatives to provide guidance and raise awareness among the officials, staffs and stakeholders of DNFBPs. To identify the accountants and lawyers who should be the reporting agency as per the Circular-13 of BFIU, it has formed a joint committee along with ICAB and Dhaka Taxes Bar Association. After having several meetings of this committee, 160 listed accountant firms of ICAB and over 1200 listed lawyer/firms of Dhaka Taxes Bar Association have been selected as reporting agencies among which BFIU has taken initiatives to aware top 100 firms on AML & CFT.

BFIU also arranged several meetings with the officials of Real Estate & Housing Association of Bangladesh (REHAB), Bangladesh Jewelers' Samity, ICAB and Dhaka Taxes Bar Association to make them aware about their responsibilities regarding the fight against ML & TF threats in this sector.



Strategic Analysis

Strategic Analysis

Strategic analysis plays a crucial role in strategic decision making. Interpretive Note 3 to Recommendation 29 states that an FIU should conduct strategic analysis by using available and obtainable information to identify money laundering and terrorist financing related trends and patterns so that other competent authorities can determine money laundering and terrorist financing related threats and vulnerabilities. The specifics of the analysis performed might vary according to the FIU's capacity and resources and the nature of threats in its jurisdiction and region. As a proactive Financial Intelligence Unit, BFIU conducts strategic analysis regularly using its CTR, STR/SAR databases and other available sources. It also conducts strategic analysis on emerging issues with the collaboration of reporting organizations and other government agencies with which BFIU closely works. The results of these analyses help for enhanced supervision, to take initiatives for future courses of action and adopting new policies. They also help the other government agencies, law enforcement, in particular, to work effectively towards securing the financial system from being misused by the perpetrators.

7.1 Strategic Analysis on Corruption Induced Money Laundering: Special focus on procurement related corruption

Bangladesh has made incredible progress in various aspects of human development, such as per capita income, GDP growth rate, life expectancy and adult literacy increases. Despite these successes, the country still faces some daunting challenges with a number of people living below the poverty level and corruption being widespread in a number of sectors.

Corruption and money laundering are interlinked. Similar to other serious crimes, corruption offences, such as bribery and theft of public funds, are generally committed for the purpose of obtaining private gain. And here Money laundering functions as the conduit of concealing the illicit gains. By successfully laundering the proceeds of a corruption offence, the illicit gains may be enjoyed without fear of being confiscated.

Public procurement is one of the government activities most vulnerable to corruption. Corruption in public procurement can both occur at the national and local government levels. The direct cost of corruption includes loss of public funds through misallocations or higher expense and lower quality of goods, services and works. In terms of indirect costs, corruption in public procurement leads to distortion of competition, limited market access and reduced business appetite for foreign investors.

Integrity risk occurs in every stage of procurement process from the needs assessment over the bidding phase to the contract execution and payment. The nature of integrity risks may differ for each step, and red flags include undue influence, conflict of interest and various kinds of fraud risks.

Bangladesh Aspect:

Bangladesh signed and ratified the UNCAC in 2007. The country also signed the Convention against Transnational Organized Crime in 2011.

To prevent corruption and other corrupt practices in the country and to conduct inquiry and investigation for other specific offences Anti-Corruption Commission (ACC) was formed through an act promulgated on 23 February 2004 that came into force on 9 May 2004. Anti-Corruption Commission (ACC) is an independent authority tasked with preventing, investigating and prosecuting corruption. The ACC was, in practice, the sole LEA responsible for investigating and prosecuting all ML cases until October 2015.

Bangladesh has conducted two National Risk Assessments (NRA) and a number of sectoral risk assessments. The 2015 NRA identified five high risk threat areas in which Corruption is one of them. The NRA identifies domestic proceeds as the predominant ML threat, with laundering of proceeds domestically and outside the country.

Service delivery, the judiciary and security forces were affected by corruption. The healthcare sector is also rife with cases of grand and petty corruption. The ACC, Comptroller and auditor general, law enforcement, media, civil society, etc play an important role in combating corruption. The media and investigative journalism play a crucial role in bringing allegations of corruption to light and acting against impunity.

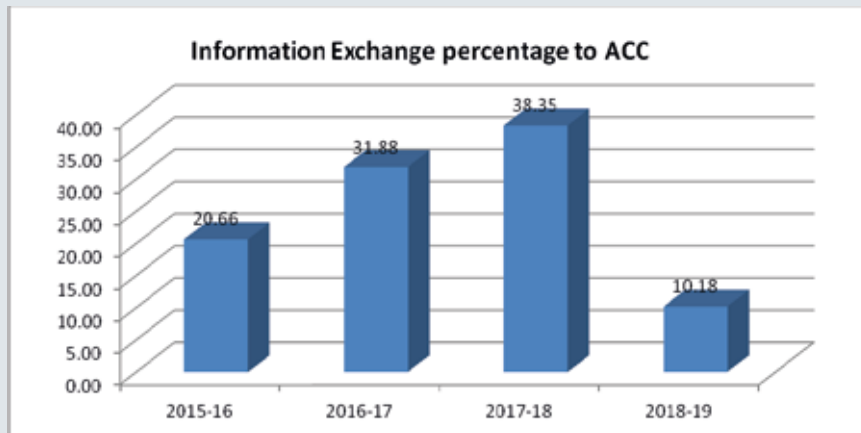
Corruption remains a very significant risk in Bangladesh. Corruption is endemic across the Bangladeshi economy, although significant efforts are being made in relation to prevention and detection of corruption. Corruption exists in state-owned commercial banks and other state owned enterprises and embezzlement in the expenditure of public funds (procurement tenders, external audit). Recognizing that corruption influences and is connected with a range of other predicate offenses and has a key role in facilitating ML and evading detection/sanction, Bangladesh initiated an electronic government procurement (e-GP) system in 2011 to allocate public funds more transparently and improve ways to do business with the private sector and bolster corruption prevention.

It is also mentionable that cross-sectoral corruption is a high risk issue and one which influences the low levels of inter-agency trust. The ACC has prioritized investigating: illicit flow of money; land revenue and leases; bribery (finance, assets and services including banks and other financial institutions (FIs); illegal accumulation of assets; corruption in construction, communications, and development projects and issuing of licenses; and breaking oath and abuse of power.

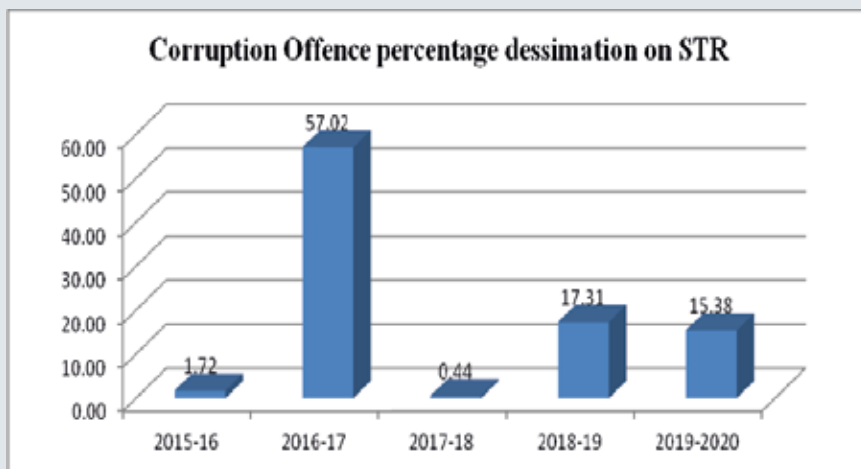
Bangladesh's vibrant media often plays a significant role in public accountability for governance and the identification of risks and specific instances of financial crime. Often media reports are a catalyst for the ACC or BFIU to commence enquiries, including in relation to large corruption and ML cases. Journalists appear in court as an interested member of the public to seek freezing orders in matters where the authorities did not do so.

Bangladesh authorities, in particular the ACC and Bangladesh Bank, have put very significant resources into awareness raising amongst the public and the financial sectors grass-roots efforts for anticorruption and the importance of AML & CFT measures as overall building blocks for a stronger financial sector.

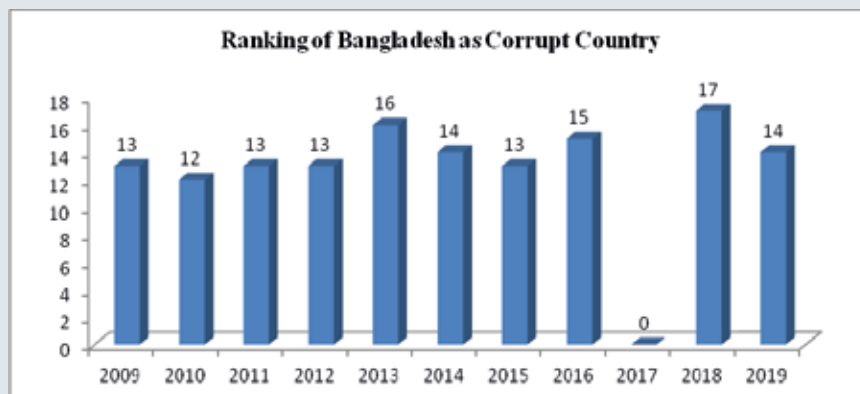
Data Analysis:



BFIU exchanges information with different agencies. Among them Anti Corruption commission is one. Before the amendment in 2015 of Money laundering Prevention Act, 2012 all the predicate offences were dealt with by ACC. But, after the amendment of the Act, only corruption and bribery are related to ACC. In the graph, we can easily find out that ACC is one of the major agencies with whom BFIU exchanges information.



BFIU gets STRs from ROs related to different types of predicate offences. Those STRs are analyzed in BFIU by gathering more information from other banks, financial institutions, stock exchanges, other FIUs, etc. After the analysis, BFIU exchanges information with different agencies. In the graph, we can easily find out that corruption is one of the major offences.



Bangladesh was considered as most corrupt country for four times from 2001 to 2004 as per Transparency International report. But in recent years Bangladesh is far from that. The graph shows Bangladesh developed a lot and is not even close to the most corrupt country in the world in recent years. This has been possible because of various actions taken by the ACC and the government.

BFIU regularly exchanges information with ACC. Not only exchanging information, BFIU also disseminates analysis reports on corruption to ACC in regular basis. It also conducts meetings with ACC to share the ideas, update the position of the cases and find out ways for future development.

Recommendations:

Several mutually supportive principles which may, directly or indirectly, prevent corruption and stimulate good governance and accountability are needed. Citizens and government together can make progress in the fight against corruption:

- **Integrity:** Safeguarding integrity is at the basis of any effort to curb corruption in public procurement.
- **Transparency:** Transparency not only promotes accountability and ensures access to information, it also serves an important role in leveling the playing field for businesses and allowing small and medium enterprises to participate on a more equal footing.
- **Stakeholder participation:** In order to promote government accountability and foster trust in public institutions, several countries have longstanding practices whereby a large range of stakeholders are involved in the procurement process, including anti-corruption offices, private sector organizations, end-users, civil society, the media and the general public. More recently, some countries have introduced direct social control by involving citizens at critical stages of the procurement process.
- **Accessibility:** Access to public procurement contracts by potential companies of all sizes is important in order to get the best value for money through fair competition.
- **E-procurement:** E-procurement which is the use of information and communication technologies in public procurement, can increase transparency, facilitate access to public tenders, reduce direct interaction between procurement officials and companies, increasing outreach and competition, and allow for easier detection of irregularities and corruption, such as bid rigging schemes. The digitalization of procurement processes strengthens internal anti-corruption controls and detection of integrity breaches, and it provides audit services trails that may facilitate investigation activities.

- **Oversight and control:** Oversight and control of the procurement cycle are not only essential in supporting accountability and promoting integrity in the public procurement process, these processes also generate valuable evidence on the performance and efficiency of the procurement cycle.
- **End impunity:** Effective law enforcement is essential to ensure the corrupt are punished and break the cycle of impunity, or freedom from punishment or loss.
- **Reform public administration and finance management:** Reforms focussing on improving financial management and strengthening the role of auditing agencies have in many countries achieved greater impact than public sector reforms on curbing corruption.
- **Promote transparency and access to information:** Countries successful at curbing corruption have a long tradition of government openness, freedom of the press, transparency and access to information. Access to information increases the responsiveness of government bodies, while simultaneously having a positive effect on the levels of public participation in a country.
- **Empower citizens:** Strengthening citizens' demand for anti-corruption and empowering them to hold government accountable is a sustainable approach that helps to build mutual trust between citizens and government. For example, community monitoring initiatives have in some cases contributed to the detection of corruption, reduced leakages of funds, and improved the quantity and quality of public services.
- **Close international loopholes:** Without access to the international financial system, corrupt public officials throughout the world would not be able to launder and hide the proceeds of looted state assets. Major financial centers urgently need to put in place ways to stop their banks and cooperating offshore financial centers from absorbing illicit flows of money.

7.2 Crypto Transaction in Bangladesh

Bangladesh Bank issued public notification on Bangla and English newspaper for public awareness to urge Bangladeshi citizens to refrain from any alluring and illegal offers of engaging in crypto currency transactions. However, BFIU received 01 STR with possible link to crypto currency transactions. Though, crypto currency transaction is not legal in Bangladesh, BFIU attempted a complete a full range of strategic analysis on crypto assets including crypto currency aiming to understand proper ML & TF risk related with crypto currency and to act accordingly as far as possible.

Formation of Strategic Analysis Team:

To make the analysis outcome more solid, an analysis team consisting of multi-stakeholders was formed as given below:

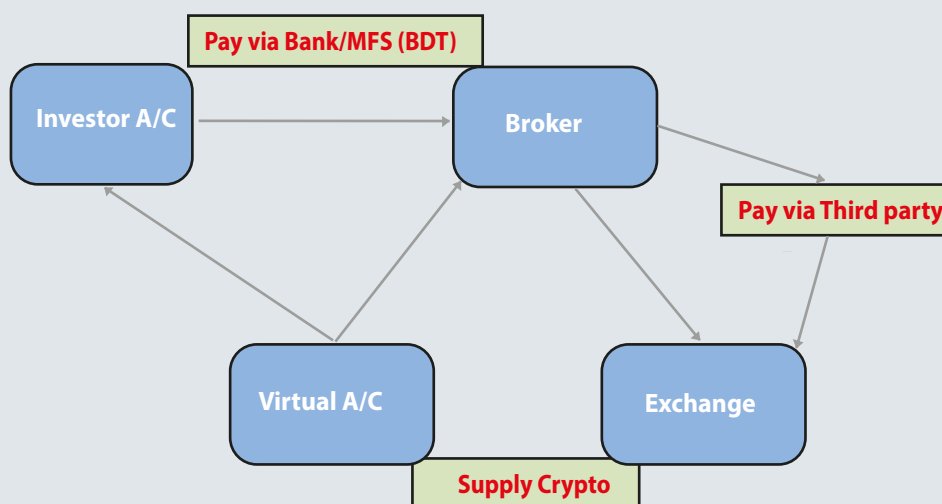
- Representative from BFIU- Lead
- Bank Asia Ltd;
- The City Bank Ltd;
- National Bank Ltd;
- BRAC Bank Ltd;
- Dutch Bangla Bank Ltd;
- Bkash Ltd. (MFS); and
- Rocket (MFS).

Initial Screening: The analysis team met several times. However, initially, the scope of work, focused on the following areas:

- i) Finding out the Facebook content that alluring crypto transaction;
- ii) Finding out the web content for alluring crypto transaction;
- iii) Finding out the local exchanges for crypto assets; and
- iv) Finding out any suspicious activity or transaction related to crypto assets.

Major findings: The major findings of the analysis teams were as follows:

- No local crypto exchanges were found;
- No formal institution was found offering any services related to crypto currency or assets;
- 07 Facebook pages and 05 web contents have been detected where it provided contact number, bank account number or mobile financial service (MFS) account number for investing in crypto currency;
- 02 team member contacted with those contact details under the disguise of a prospective client to learn the whole mechanism;
- Based on the disguised operation by the team members it was revealed that the crypto traders are basically engaged in crypto transaction in overseas platform like (bitcoin, coinbase etc) and they buy crypto currency by using Bangladeshi citizen holding foreign bank's issued credit cards or managing Bangladeshi freelancer's foreign exchange earnings (basically using their retention quota) and thus make payment for their purchasing of crypto currency.
- The trader collect BDT by first alluring Bangladeshi citizen via FB and/or local web content and buying/selling crypto currency using foreign credit card or freelancer's quota as mentioned above. They also share a copy of their wallet with buyer from who they collect BDT, sometimes, they prepare separate electronic copy (for example coinbase wallet) for their BDT client as well. The whole mechanism can be described as below:



- The team shared the bank and MFS account numbers as well as contact number as found from the FB and web content with the banking industry via these association and requested them to find out if there was anything suspicious transactions and activity and report to BFIU.
- The number of STRs/SARs reported afterwards were as follows:

Institution	Indicators	No. of STRs/SARs
Bank	possible crypto transaction	04
MFS	possible crypto transaction	15

Control measures: There is a stringent foreign exchange control regime prevailing in Bangladesh under Foreign Exchange Regulation Act (FERA), 1947. Unless permitted by Bangladesh Bank under FERA 1947, no person can expense in foreign currency. Additionally, Money Laundering Prevention Act, 2012, criminalizes any transfer/sending abroad of money or asset even earned from legal sources as money laundering offence. Therefore, currently, any Bangladeshi citizen other than for trade transactions is only allowed to make a total of 06 transactions per year amounting to not more than \$300 per each transaction for purchasing of legal goods and services from trusted e-commerce sites only and the citizens are prohibited from making payment against any illegal products or services or any un-trusted sites including online gaming, casinos, forex stock purchase, purchase of lotteries and crypto currencies as per several Foreign Exchange Circulars by Bangladesh Bank. The Bangladeshi citizens are also allowed to spend \$12000 for SAARC and Non-SAARC countries for travel purposes only, \$10000 for treatment purposes and any amount for education purposes as per budget by the respective educational institutions. The banks (known as Authorized Dealer (AD) for foreign currency), strictly follow those circulars by Bangladesh Bank under the FERA 1947.

As there is no local crypto currency exchange here in Bangladesh, it requires foreign currency for dealing with crypto assets and the strict exchange control in Bangladesh makes it very hard for crypto currency transactions to flourish in Bangladesh.

Findings and Measures: Out of 19 STRs/SARs, 4 were instantly disseminated to the CID and the rest were under further analysis process at BFIU end. So far, CID has arrested 01 person and blocked the identified FB pages and web content. The investigation is in the final stage.

Impact of taking measures: After several public awareness notices were published by Bangladesh Bank and drastic law enforcement measures taken by the CID, the social media and web content activist group became silent so there was only 01 SARs/STRs reported in the last six months.

Overall Summary and Conclusion: Money laundering and terrorism financing risk for crypto currency and related assets in Bangladesh is 'Low' due to strict foreign exchange control regime, non-existence of any exchange for crypto assets, no formal institutional engagement for offering of crypto related transaction as it is prohibited by the Foreign Exchange Regulation Act, 1947 and Money Laundering Prevention Act 2012. However, based on the above findings, the following actions can be taken by the respective authorities to keep this crypto related ML & TF risk 'Low' in future as well:

SI No.	Actions	Agency
1.	Releasing/Sharing STRs/SARs Indicators/Typologies for Banks and MFS	BFIU
2.	Training and capacity building for the stakeholders	BFIU
3.	Frequent issuance of public awareness notice	Bangladesh Bank
4.	Reduce freelancer's retention quota/prevent abuse of freelancers' retention quota	Bangladesh Bank
5.	Social media/Web content monitoring to detect crypto related issues	BFIU/ BTRC/Cyber Crime Division,CID
6.	Law enforcement capacity building	BFIU/Bangladesh Police
7.	Transaction monitoring and reporting of SARs/STRs related to possible crypto currency related transactions.	e-CAB/Banks/MFS

7.3 Remote Gambling

Remote gambling

Remote gambling is any form of gambling provided remotely by gaming operators over the internet. It includes gambling in online casinos (on simulated slot machines, roulette wheels, etc.), gambling in betting exchanges (where gamblers make private bets with other punters and are paired up by the service provider), gambling on lotteries (such as playing the national lotto game via the Internet, or use of an electronic scratchcard), gambling on online poker sites (where punters play in real time against other real competitors), horse racing betting, in-play betting (bet while the event is in progress) and sports betting (predicting sports results and placing a wager on the outcome).

Legal status of remote gambling

Most of the countries fully or to some extent restrict or ban online gambling. However, some parts of United States of America and Canada, many European countries, several Caribbean nations and the Special Administrative Region of Macau allow online gambling. In order to operate, the online gambling service providers/companies have to have some form of license from their respective regulators. The United Kingdom Gambling Commission, the Pennsylvania Gaming Control Board in the USA and Malta Gaming Authority are examples of regulators.

Opening remote gambling account

In order to open an account in an online gambling website a person has to complete an online registration form with his personal details such as name, date of birth, address, email address, password, and so on (in some cases passport number/NID/any photo ID). Later, he needs to confirm his email address by clicking a link sent to his email from the online gambling site.

Deposits to the account

In order to play for real money, the online gambling account has to be loaded with funds. Accounts can be loaded with funds through various ways such as credit/debit cards, electronic payment methods, bank transfer, wire transfer, eChecks, and so on. On the other hand, players can cash out any winnings from their accounts. The account holder first has to login to his account, visit the casino cashier page and choose one of the displayed banking methods. If he selects credit/debit/prepaid cards, he will have to input card details such as CVC, expiry date, name of the card holder, amount to be deposited, and so on. If he selects e-Wallets such as Neteller, PayPal, or Skrill, he will be taken to his e-Wallet account, from where he can initiate the payment which allows him to start playing instantly whereas bank transfers and paper checks take a longer time. On the other hand, players can cash out any winnings directly to their cards.

Opening Neteller/Skrill account

Opening an account and acquiring Neteller's Net+ Mastercard is a simple process and it is done in the Neteller website. It only requires an identity document (Passport or Identity Document) and proof of address which are scanned through the platform. Neteller takes only a few days to open the account and allows the customer to log in from any device.

Remote Gambling Scenario in Bangladesh

Bangladesh Financial Intelligence Unit (BFIU) received 20 spontaneous intelligence reports from a foreign financial intelligence unit. Each report depicted involvement of Bangladeshi national in online remote gambling. These 20 Bangladeshi nationals registered remote gaming accounts with Maltese-registered remote gaming companies. They deposited to and withdrew funds from gaming accounts through Neteller, Skrill, Moneybookers etc. The FIU also informed BFIU that due to the lack of information on source of funds and high velocity deposits by those individuals, the gaming company had closed their accounts.

Analysis:

It has been found in the analysis that some of the gamblers provided false identity information during account opening and hence could not be traced. Every player's IP addresses were traced back to many different countries of the world. Probably, they used Virtual Private Networks (VPN) so that their identity not to be traced back. Before the accounts were closed every player's operated his account for 1-4 years. The players mainly placed bets on sports books and played casino games. The sum of the funds deposited by the 20 players was- USD 39, 77,141.20 and total withdrawal was USD 27, 09,154.64. In some cases, it was found that the gamblers were maintaining bank accounts in Bangladesh. These cases were disseminated to the CID, Bangladesh Police for further inquiry. In several cases, CID provided feedback that no concrete proof was found against the gamblers.

Legal Status of remote Gambling and Gaming in Bangladesh:

Gambling is a prohibited activity in Bangladesh. Article 18 of the Constitution confers upon the State the responsibility to "adopt effective measures to prevent prostitution and gambling." There are also strict legal sanctions against gambling in the Public Gaming Act of 1867.

The Public Gaming Act and other laws broadly treat gambling as a transaction of staking money or something of value on an event whose outcome is not within control of the person. Thus gambling broadly includes wagering, betting, gaming etc.

Despite a ban on gambling, large numbers of Bangladeshis are using online gambling sites. Still others pay to play games online. These games have given rise to cybercrime through identity theft and theft of gaming accounts, fraud and even fronts for money laundering and terrorist financing (since they depend on the user paying to play in the gaming ecosystem). Therefore, it is important that ML & TF authorities trace how individuals are investing their money into online gaming and gambling. Legally, online gambling account cannot be loaded with funds through banking channels. Further, operation of Neteller, Skrill, Moneybookers, Paysafe or such type of e-wallets (e-money service providers) is not legal in Bangladesh. On the other hand, gamblers/players have to deposit funds to their gambling accounts to play. So, they use alternative channel- 'Hawala/Hundi' to feed up their accounts and most of the gamblers use Neteller, Skrill, Moneybookers, Paysafe that operates in multiple currencies.

How do gamblers load up their gambling accounts with these payment service providers?

This takes the form of digital hawala/hundi in most cases. A person who wants to gamble online sets up an account with Neteller, Skrill or one of the other companies or gets someone to do it for him or her. Then they get in touch with someone who has dollars, say a freelancer who works for a foreign client. He pays in local currency to the freelancer who then asks his client to pay part of his service fees into a Neteller or Skrill account which belongs to the gambler. This is how a digital/e-money wallet is loaded and used to make payments for gambling. There are agents/intermediaries who collect money from different would-be gamblers/gamers (often through DFS like Bkash) and use multiple individuals to funnel money into these e-money accounts.

Further, a search on Facebook found that several websites such as PaymentBD.com advertises loading up Neteller, Skrill and other similar e-wallet accounts. As per PaymentBD.com, they can load dollars in Neteller account for which the minimum amount has to be USD 500. If someone wants to load US dollars in his/her Neteller account, they have to pay 105 takas per US dollar including service charge. Here 5 takas is the service charge and 100 takas is price per US dollar.

Future work:

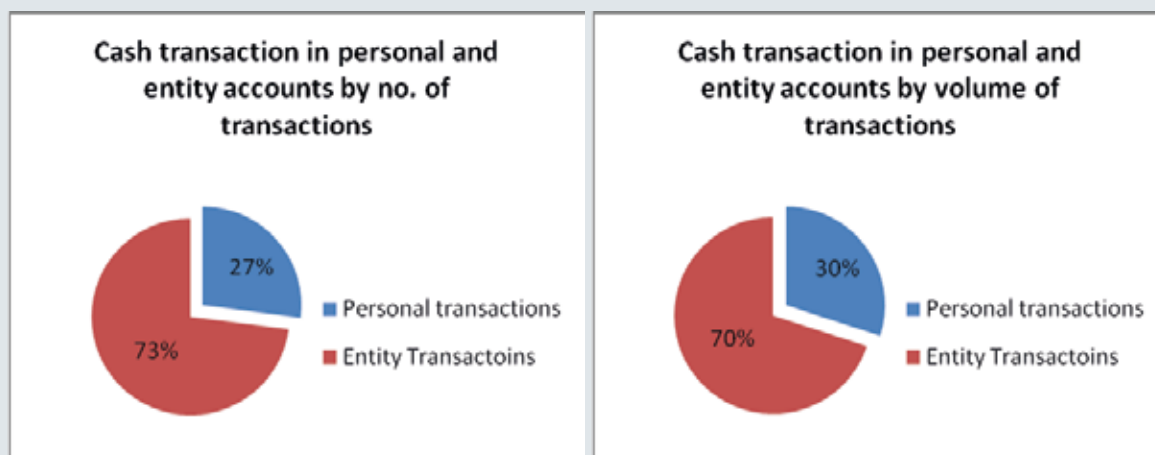
The intelligence reports related to the remote online gambling were received only when the related accounts were closed. It is easily assumed that there are many more gamblers still operating. Since funds are siphoned off abroad from Bangladesh through 'Hawala/Hundi' for this purpose, more work should be done to minimize this.

1. Communicate with foreign FIU for collecting information on gamblers who are still operative.
2. Work closely with law enforcement agencies to find the identity of the suspects.

7.4 Strategic Analysis on the CTRs received during the FY2019-20

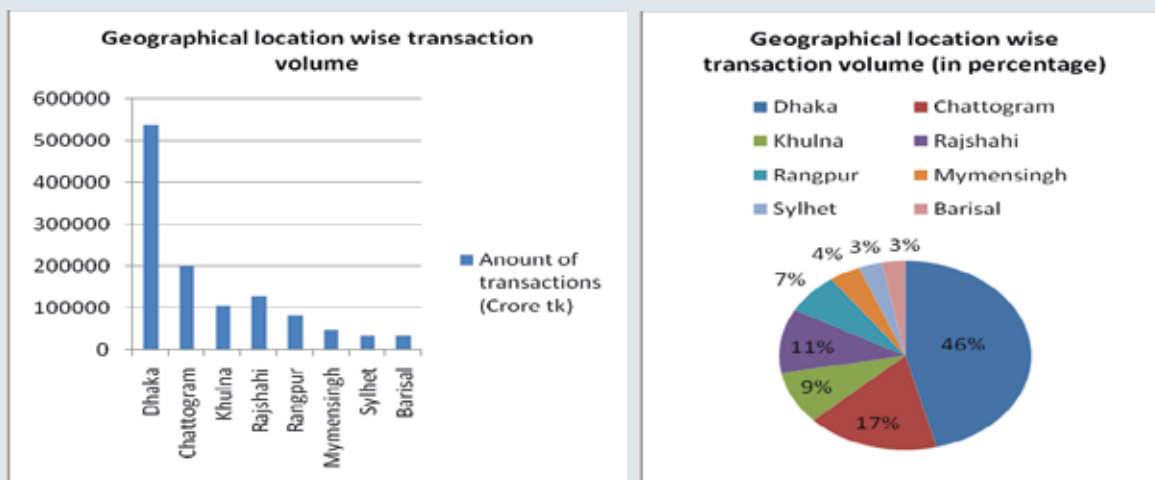
Despite the availability of digital financial services people of Bangladesh still feel comfortable doing cash transactions. People choose cash transactions to hide the source and destination of embezzled money. Besides, for organizing terrorist financing and other criminal activities, cash transactions are preferred. That's why each year BFIU conducts strategic analysis on cash transactions considering geographical location, number and volume of cash transactions and other factors to provide strategic direction in preventing money laundering and terrorist financing.

Comparative analysis of cash transactions between Personal and entity accounts



Out of 16,141,721 transactions 4,404,406 transactions were made through personal accounts, 27% of the total transactions whereas the number of transactions through entity accounts was 11,737,314 which was 73% of the total transactions during FY2019-20. While analyzing the cash transaction during FY2019-20 it was found that the total volume of transactions during this period was 11,719,294,492,431. Among them 30% were through personal accounts and 70% were through entity accounts.

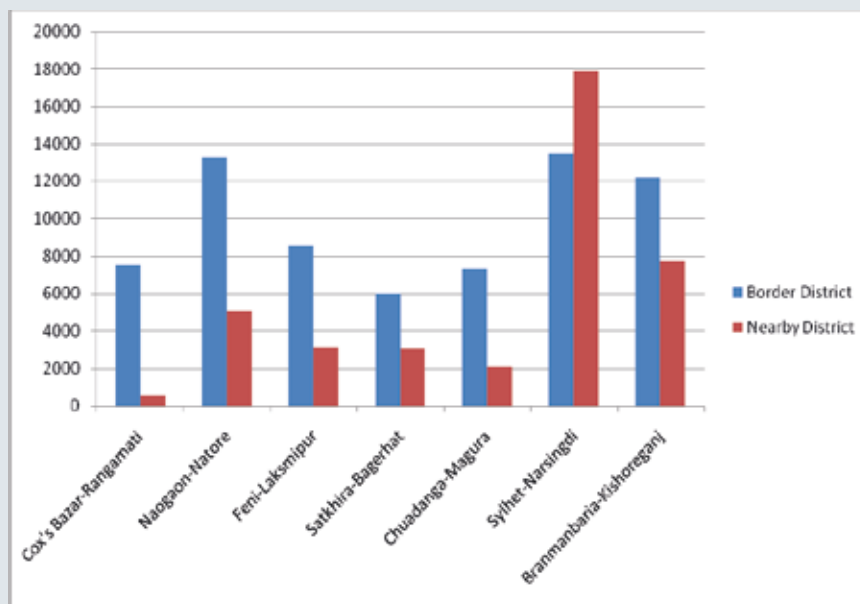
Geographical location wise CTR by volume



	Total volume in crore taka	Percentage
Dhaka	539087	46%
Chattogram	199228	17%
Khulna	105473	9%
Rajshahi	128912	11%
Rangpur	82035	7%
Mymensingh	46877	4%
Sylhet	35157	3%
Barisal	34461	3%

Cash transaction in borders & nearest district:

Border District	Total Amount (in crore)		Nearby District	Total Amount (in crore)
Cox's Bazar	75403	Compared to	Rangamati	547
Naogaon	13270	Compared to	Natore	5079
Feni	8524	Compared to	Lakshmipur	3105
Satkhira	5986	Compared to	Bagerhat	3060
Chuadanga	7300	Compared to	Magura	2097
Sylhet	13425	Compared to	Narsingdi	17869
Brahmanbaria	12217	Compared to	Kishoreganj	77652



7.5 AML & CFT reporting compliance in banks: An assessment in the aspect of STRs & SARs

BFIU receives STRs, SARs and CTRs from reporting entities through the goAML system. Like any other country, STRs & SARs serve as the potential source of ML & TF cases in Bangladesh. BFIU retrieves information from the CTR database and uses other sources of information to analyze STRs & SARs.

Banks constitute the largest part of the financial system of Bangladesh. The 2nd National Risk Assessment on ML & TF revealed that the banking sector is more vulnerable to ML & TF for its wide range of products, services and network. Consequently, BFIU is used to receiving the majority of the STRs/SARs from banks. Hence this study has focused on STRs & SARs submitted by banks to conduct the assessment on the AML & CFT reporting in Bangladesh.

Objective of the study

The key objectives of the study is

- (a) to understand the nature and changing trends in STRs & SARs;
- (b) to conduct an assessment on the quality of STRs & SARs;
- (c) to identify the limitations of the banks in submitting STRs & SARs; and
- (d) to suggest the appropriate recommendations to enhance STRs & SARs quality.

Scope of the study

The study targeted two types of regulatory reports – STRs & SARs – submitted by the scheduled banks of Bangladesh to BFIU. The study covered the period January 2017 to December 2019.

Methodology

The research team conducted a comprehensive study on the STRs & SARs received by BFIU and gathered information from the database of BFIU to understand the current scenario of regulatory reporting by the banks. The team collected information from the banks through a questionnaire and conducted interviews with the head of AML & CFT division of some sample banks.

Limitations of the study

The study considered only two types of regulatory reports to assess the AML & CFT compliance level in banks. Moreover, only a few variables were used to assess the quality of STRs & SARs.

Trend analysis of STR & SAR

The study has found a trend of gradual increase in STR & SAR submission by banks in the last three years. The lion share of the STRs & SARs were submitted by a few banks (11 banks contributed 88% to STRs and 6 banks contributed 72% to SARs). 7 banks submitted no STR and 11 banks submitted no SAR during the period.



STRs & SARs were initiated by only 19% of the bank branches operating in the country. 51% of these branches are located in Dhaka, 28% in Chattogram and the remaining 21% in other districts.

Transaction differentiates STR from SAR. Three transactions, on an average, have been captured in each STR during the period, although the actual number shows a decreasing trend. The average volume of transaction has also decreased over the period with a sharp fall in 2018.



BFIU has directed banks to conduct CTR analysis and submit STRs/SARs, if any. The survey found that 23 banks have generated STRs & SARs from CTR analysis, whereas BFIU database found 14 banks. The number of STRs & SARs based on CTR analysis found in BFIU database is lower when compared to the response of banks.

Assessment of the quality of STR/SAR

A quality STR or SAR plays an important role in operational analysis. To ensure the submission of quality STRs & SARs through goAML, BFIU has recommended the following qualities to be maintained by the reporting entities:

Spotting Quality:

- It is imperative that a suspicious transaction or activity has been identified with reasonable grounds. For this, compliance officers need to examine the unusual transaction/activity critically, find the reason thereof cautiously and evaluate the information prudently.

Reporting Quality:

- NARRATIVE: explain the reason for suspicious transaction or activity in a concise and explicit manner;
- INDICATOR: select the suitable indicator from the list incorporated in goAML;
- PARTY INFO: input available and obtainable information of all the involved persons, entities and accounts in prescribed format
- TRANSACTION INFO: in case of STR, input information of all transactions deemed suspicious in prescribed format
- DOCUMENTATION: attach relevant documents properly

Qualitative Approach:

The assessment of the STRs & SARs is mainly a subjective or qualitative approach. The study assessed sample STRs & SARs for qualitative judgment on the STR & SAR. The samples were taken in different dimensions from the BFIU database.

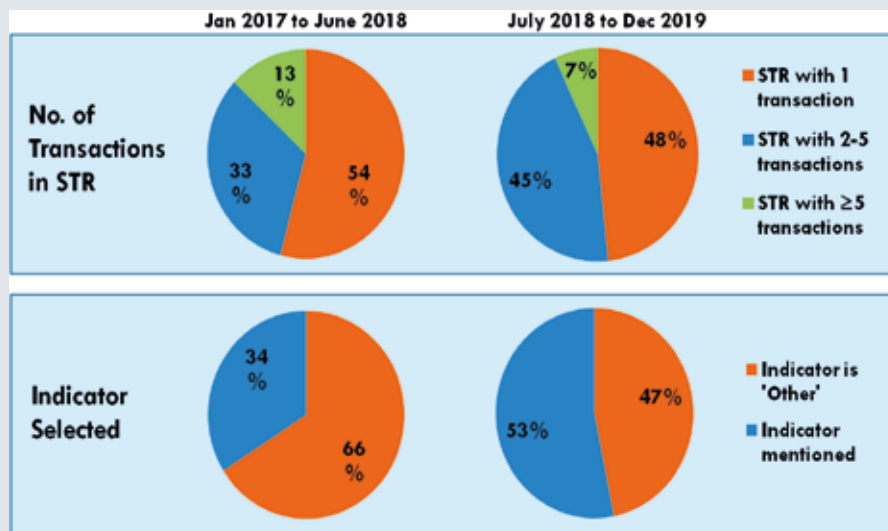
The assessment found some common lapses as illustrated below:

Area/Field	Common Lapses
NARRATIVE	<ul style="list-style-type: none">➤ very short narrative (1-2 sentences)➤ implicit, ambiguous or inconsistent statement
INDICATOR	<ul style="list-style-type: none">➤ irrelevant indicator selected➤ select 'other' without any comments in the respective field
INFORMATION of involved parties	<ul style="list-style-type: none">➤ avoid input of all involved persons, entities or accounts➤ data format is not as per BFIU instruction➤ wrong data or incomplete data
INFORMATION of transaction (in case of STR)	<ul style="list-style-type: none">➤ input 1-2 transactions randomly avoiding all suspicious transactions➤ data format not as per BFIU instruction➤ wrong data or incomplete data
DOCUMENTATION	<ul style="list-style-type: none">➤ necessary document is not attached➤ Irrelevant document attached➤ attached document is not legible
OTHER	<ul style="list-style-type: none">➤ submit SAR instead of STR➤ reactive or delayed STR/SAR➤ lack reasonable ground to submit STR/SAR

Quantitative Approach:

To conduct a quantitative assessment, this study considered two variables – no of transactions inputted in STR and Indicator selected – in two time frames (January 2017 to June 2018 and July 2018 to December 2019). BFIU arranged a training program for the officials of AML & CFT division to enhance the STR & SAR quality in Mid-2018. This is why, the periods before and after the training program was selected. The findings of the assessment are:

- STR submitted with 1 transaction has decreased, indicating that banks have become more aware of the need for submission of STRs with the transactions deemed suspicious.
- STRs & SARs submitted with 'other' indicator has decreased, indicating that banks have become more adapt at submitting STR & SAR with specific or relevant indicator.
- This indicates that the STR & SAR quality as well as the awareness and capacity of bank officials have enhanced after the training program held in Mid-2018. But still banks need further improvement for submission of quality STRs & SARs.



BFIU has rejected 534 reports (STRs & SARs) submitted by banks in 2017 due to poor data or wrong information. This number sharply dropped to 144 in 2018 although the number increased again to 257 in 2019. However, the reduced number of rejected STRs & SARs indicates that quality of STRs & SARs has improved to some extent.

Key Challenges in Quality STR/SAR

The study has identified the following challenges and limitations of the banks in lodging quality STR/SAR to BFIU:

- (i) **Inadequate Human Resources:** The study found that a total 439 officers of different levels are employed to carry out AML & CFT activities in the bank head offices. This depicts that 4 officers, on an average, in head offices are employed for each 100 branches. This number is quite low for ensuring quality STRs & SARs.

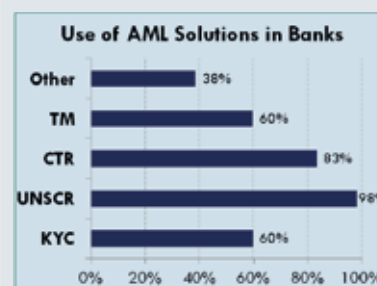
To assess the professional efficiency of the bank officers, the study considered CAMS (Certified Anti-Money Laundering Specialist) and found only 20 banks with at least one CAMS.

No. of Officer per 100 Br.	No of Banks
0-2 Officer	08
3-5 Officer	20
6-8 Officer	09
9-10 Officer	06
10+ Officer	14

No of CAMS	No of Banks
1 CAMS	13 banks
2 CAMS	04 banks
≥ 3 CAMS	03 banks

Even the survey found seven banks without a separate AML & CFT Division as per requirement of BFIU circular.

- (ii) **Lack of Use of Technology:** The survey found that 40% banks do not use any technological solution for transaction monitoring (TM). Almost all banks receive STR & SAR manually from branches; this imposes threat to the confidentiality of the STR & SAR. Currently no bank is using XML format to submit STR through goAML. Compliance officers usually feel discouraged to put down information in WEB format, especially when the number of involved transactions is high.



- (iii) Differentiated Knowledge Base: Despite continuous initiatives of banks, the knowledge and awareness level regarding the legal obligation of STRs & SARs and identification and reporting process of STRs & SARs significantly varies among the bank officials, even within the officers of same branch; this impedes the AML & CFT reporting culture of the bank.
- (iv) Other Challenges include: AML & CFT division not always having control on large branches, BAMLCOs' more concentration on business rather than AML & CFT compliance, CTR analysis tool not being in place, etc.

Conclusion and recommendations

It was a challenging task for BFIU to motivate banks to lodge STRs & SARs to BFIU when Money Laundering Prevention Act came into force in Bangladesh. However, this challenge has disappeared with the passage of time. It is a good sign for the AML & CFT regime of Bangladesh that the number of STRs & SARs received by BFIU is increasing gradually. A quality STRs & SARs could trigger a potential ML & TF case. For this reason, BFIU expects more quality STRs & SARs from banks along with a higher quantity of STRs & SARs.

The study makes the following recommendations to strengthen the AML & CFT activities in banks, especially for quality reporting of STR/SAR:

- (i) Human Resource: Banks should assess their own human resources needs to carry out their AML & CFT activities efficiently and take initiative to deploy adequate human resources thereto.
- (ii) Technology: Banks should adopt or widen the use of suitable technology to identify suspicious transaction/activity and make quality STRs & SARs. Banks can switch to 'XML format' from 'WEB format' while submitting STR through goAML especially when the number of transactions is high. Banks should introduce a mechanism to conduct CTR analysis.
- (iii) Knowledge Base: Effective capacity building program should be arranged to enhance bank officers' knowledge and awareness of the identification of suspicious transaction/activity and submitting quality STRs & SARs. Banks should encourage the compliance officers to develop their professional knowledge.
- (iv) Monitoring: CAMLCO and Deputy CAMLCO should widen the scope of supervision on the branches with nil or very low number of STRs & SARs, specially the branches outside of Dhaka and Chattogram.

7.6 Teen Patti Gold

Online based gambling app "Teen Patti Gold" has been developed by a Bengaluru, India based game developer company. This game has gained notable level of popularity in Bangladesh as well. Many individuals and organizations have sprung up to buy and sell the 'chips' (virtual coins of Teen Patti gambling). These buy/sell transactions are mainly done through mobile financial services (MFS) accounts and are marketed through various social media. Andriod and IOS platform based mobile phone users of all ages including school-college and university students are becoming addicted to this virtual gambling day by

day. Gamblers buy chips from the dealers using MFS accounts and thus crores of money is being smuggled through hundi from this country, as reported by a national daily. This report gives an idea of the buying and selling rate of the said chips (eg. 1 crore chips 75 tk., 2 crores 150 tk. etc.). Moreover, internet search data also provides information about buying and selling price and volumes of chips. In this context, several mobile banking accounts have been identified by monitoring various social media and analyzed later.

The following transactional features have been observed in those respective mobile banking accounts:

- Excess of small amount transactions. The average transaction amount is around 200 tk.
- Same amount of deposits and withdrawals within a certain period of time and average outstanding position being very low.
- Fund received through “Send-money” (transfer from one MFS account to another) from various accounts is the main source of fund in the accounts. The amount of money deposited through cash-in (direct cash deposit in account) is very low. Fund received through send-money is usually observed in small amounts with ticket size tk. 60/-, 80/-, 75/-, 150/-, 330/- etc. Send-money transactions amounting less than tk. 100 are very likely to occur in the accounts. Funds transferred through Send-money of relatively large amounts also occur.
- Cash-out amount is higher than cash-in amount as money is usually received through send money transactions.

The following is a picture of a MFS account that has similar transaction nature as described above:

Account Summary of an A/C From 01.01.19 to 25.09.19 (Nine months)			
Total Transacted Amount	1,92,118/-		
Total no. of transactions	804	Average 239/-	
Highest figure of a single transaction	10,000/-	Cash out on 21.09.19	
No of transactions above TK 1,000/-	18	Total amount 61,600/-	
Total Deposit amount	94,031/-	Total count 652	
Total Withdrawal amount	95,211/-	Total Count 147	
Cash-in amount	8,195/-	Highest single cash out 10,000/-	
Cash-in count	42		
Cash-out amount	18,880/-	Highest single cash out 10,000/-	
Cash-out count	11		
Funds received through “Send money”	85,542/-	Highest single send money in 3,950/-	
Funds received through “Send money” count	598	Average 143/-	From 55 different account

Funds received through "Send money" count (less than 100/- per transaction)	387	Amount 28,000/- (approx)	60/- Send in=10 times 70/- Send in=91 times 75/- Send in=272 times 150/- Send in=116 times 330/- Send in=19 times
Funds received through "Send money" count (100/-200/-)	150	Amount 22,017/-	
Funds transferred through "Send money" Amount	75,235	Highest single send money out 6,410/- (2 times)	
Funds transferred through "Send money" count	88	To 14 different accounts	
Balance (in TK) as on 25.09.19	1421		



Case Study

Case Study

Case 1

Embezzlement of a Financial Institution's fund through Fraudulent Lending with the Connivance of its Top Management

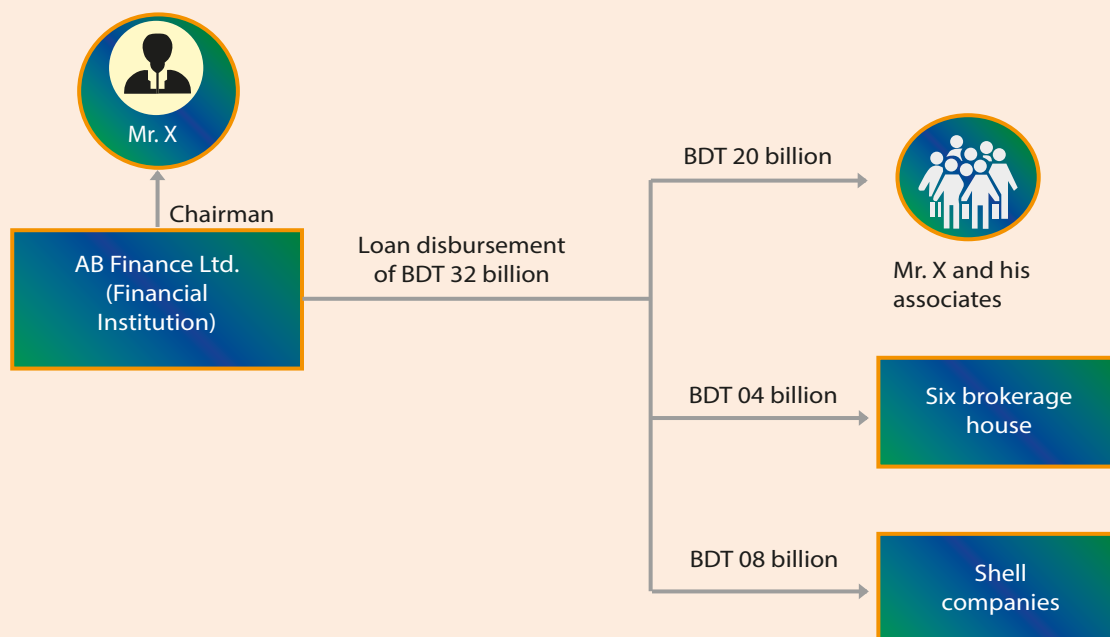
A financial institution (FI), AB Finance Ltd., disbursed a huge amount of loan to several companies owned by Mr. 'X'. Analysis revealed that the said financial institution issued cheques, to disburse loan, to not only the borrower companies but also to various fictitious accounts held with 40 different banks.

BFIU's analysis revealed that out of fifty (50) disbursed loans thirty (30) cases involved transfers of nearly BDT 20 billion to the accounts of Mr. 'X', his relatives, some directors of the same FI and other associates. It was found that Mr. 'X' and his associates parked BDT 4 billion in just two banks (in thirty different accounts) where the respective bank branches failed to perform Customer Due Diligence during account opening. Even, they ignored transaction monitoring though there was enough suspicion of funds being layered by the account holder. The disbursed funds were spread out throughout the financial system e.g. banks, other financial institutions and the capital market.

BFIU analysis further revealed that the companies, to which the said FI sanctioned huge loan, had no physical existence. Basically, the loans were sanctioned to shell companies that existed only on paper. Strikingly, Mr. 'X' used these loans to purchase shares of the said FI in the secondary market through four entities that he controlled namely PQ Ltd., QR Ltd, RS Ltd and ST Ltd, eventually attaining a 35% stake in the FI. Soon Mr. 'X' secured the position of Chairman and positioned his associates as directors at the Board of Directors of that FI.

AB Finance Ltd. also made loans of BDT 4 billion to six brokerage houses/asset management companies which later declined to repay them. This was a violation of the Financial Institutions Act-1993 which limited investments by financial institutions in the capital market to 25% of their paid-up capital. Incidentally, AB Finance Ltd. crossed that limit by 600%! This heralded a period of aggressive lending in favor of shell companies that saw two-thirds of AB Finance Ltd's capital being embezzled by Mr. 'X' and his close associates. Around BDT 32 billion was thus transferred out of AB Finance Ltd's entire loan portfolio of BDT 50 billion. It was evident that the board of AB Finance Ltd., its top management, internal audit department, chief financial officer and officials at its credit division were all involved in facilitating these nefarious activities.

It came to light that the loans were being made to shell companies and funds were being diverted to other activities and ultimately laundered abroad by Mr. 'X' who is now staying abroad to evade prosecution. Having mapped out the contours of this financial scam, BFIU forwarded an intelligence report to law enforcement agency for further course of action under the provision of MLPA, 2012.



Offence	Loan fraud and Smuggling/Laundering of Money
Customer	Individual, Shell Company
Industry	Financial Institution and Bank
Channel	Banking, Financial Institution, Capital Market
Report Type	BFIU Inspection Report
Jurisdiction	National and International
Designated Service	Loan, Time Deposit, Capital Market Share
Indicators	Huge amount of loan sanctioned to a single person, Loan sanction to Shell Companies, layering of money, taking over the share of the Financial Institution and loan sanctioned by the borrower himself etc.

Case 2

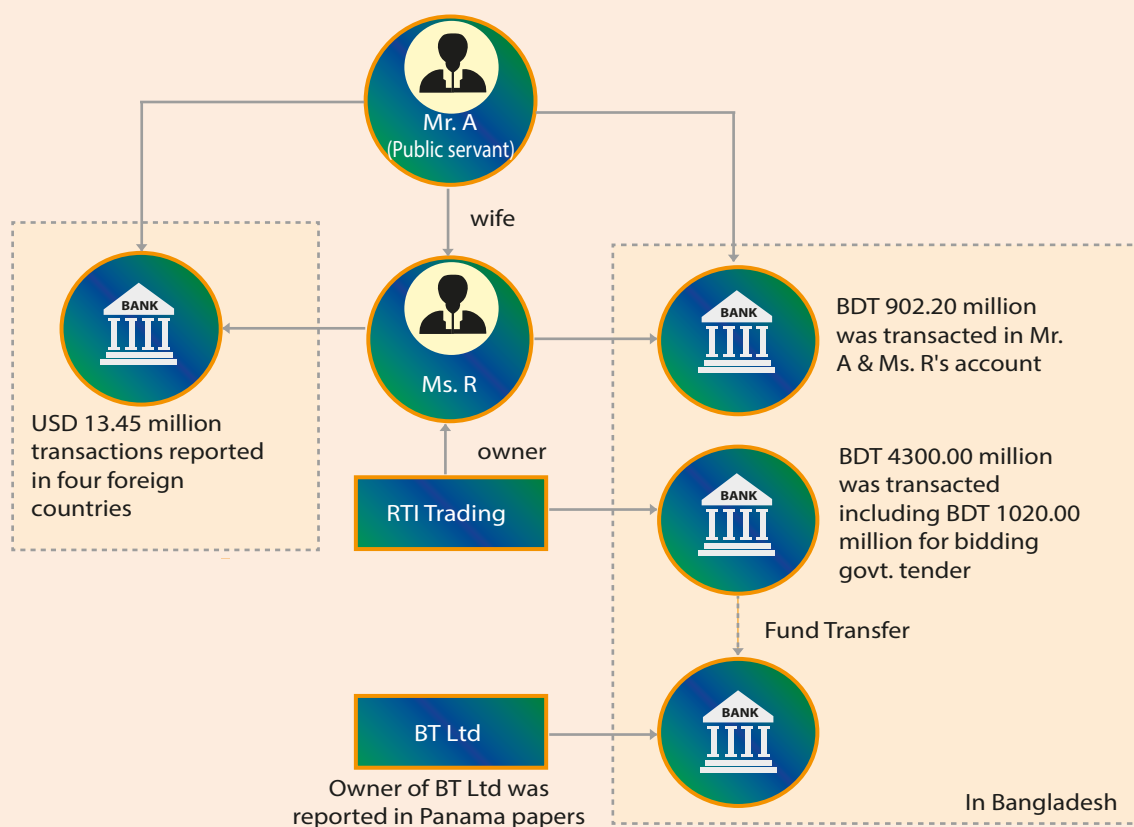
Money Laundering and Illicit Outflow by a Government Official

Mr. 'A', a government official and his wife Mrs. 'R', the proprietor of 'RTI Trading', a contracting firm supply surgical equipment to government hospitals and institutions. More than BDT 5202.2 million was transacted in the bank accounts of Mr. 'A', his wife Mrs. 'R', and their concerned entities. About BDT 4300 million was transacted in the bank accounts of 'RTI Trading' of which BDT 1020 million was deposited in this account for the purpose of bidding Govt. Tender (as per declaration in the deposit slips).

Money was transferred from the bank accounts of 'RTI Trading' to the account of another entity named 'BT Ltd' whose proprietor's name was published in Panama Papers. Furthermore, a huge amount of money was transferred to several accounts from this account very frequently. Analysis revealed that Mr. 'A' was the ultimate controller cum beneficiary of his wife's company, RTI Trading. Open source information revealed that he used to prepare fake papers of supplying goods and controlled government tenders in favor of his wife's company and even managed to get tender without minimum capital/security money.

Besides these, BFIU got information of accounts being maintained by Mr. A and his wife in four foreign countries, namely country Wx, Xy, Yz and Zx. There was information of numerous cash transaction reports, large transaction reports and electronic fund transfer reports valuing a total of USD 13.45 million against the accounts of Mr. 'A' and his wife in those countries. Furthermore, in one of those countries, suspicious transactions made between December/2014 and June/2020, were reported. Additionally, a business entity in a foreign country in the name of Mr. 'A' was detected though a Bangladeshi cannot invest in a foreign country without approval from appropriate authority.

After the analysis, it appeared that Mr. 'A' with the assistance of his wife amassed a huge amount of illegitimate wealth unduly and had tried to legalize his illegally earned money by establishing a contracting company in his wife's name and ultimately funneled the amount to foreign countries through illegal channels. Based on the findings BFIU prepared an intelligence report and disseminated the same to the Anti-Corruption Commission for further investigation and necessary legal actions as per MLPA 2012.



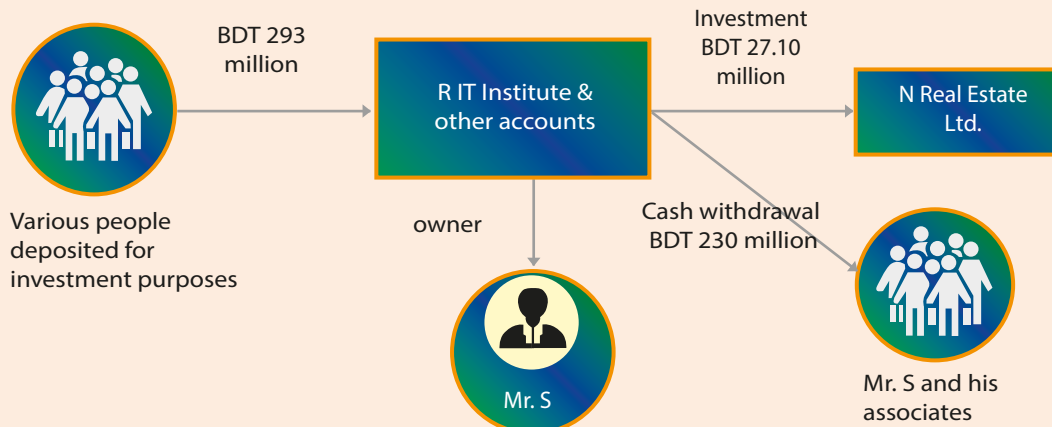
Offence	Corruption, Forgery, Money Laundering
Customer	Individual
Industry	Bank
Channel	Banking
Report Type	Media
Jurisdiction	National and International
Designated Service	Bank Account, LC
Indicators	Huge cash transaction not commensurate with the profession of perpetrator.

Case 3

Misappropriation of Investors' Money in the name of Online Paid Marketing

Mr. 'S', a freelance trainer established 'R IT Institute' in 2018. He opened a total of 35 (thirty five) accounts of which 05 accounts were opened before 2018, the year when the training institute 'R IT Institute' started. An amount of BDT 29.30 crore was deposited in the accounts opened after 2018 whereas only BDT 0.29 crore had been deposited in the accounts opened before 2018. Analyzing voucher and other related documents it was found that hundreds of people have deposited different amounts of money from different corners of the country who afterwards complained to the respective banks that they have deposited money in the name of profit making investment and were ultimately defrauded.

Based on media reports and BFIU's in-depth analysis revealed that the accused Mr. 'S' had tried to conceal the illegally accumulated money by misusing banking channel through layering and transferring money among different accounts and by opening bank accounts in the name of some non-existent institutions and ultimately investing in real estate sectors. Based on the information collected from the banks, an Intelligence report was then disseminated to Criminal Investigation Department (CID) of Bangladesh Police. As per the latest information received from the investigating agency, the Honorable court has issued a confiscation order to absorb BDT 3.42 crore balanced with the bank accounts and BDT 2.71 crore invested by the accused to 'N Real Estate Ltd' to the government account.



Offence	Fraud & Forgery
Customer	Individual & IT Company
Industry	Bank and Real Estate Sector
Channel	Banking
Report Type	STR/SAR
Jurisdiction	National
Designated Service	FDR, Loan
Indicators	Huge cash transactions, frequent layering through transfer of funds from deposit account to FDR, FDR to loan Account and then integration through buying plot using the loan amount.

Case 4

Trade Based Money Laundering through Export to a Directly Connected Foreign Business Entity.

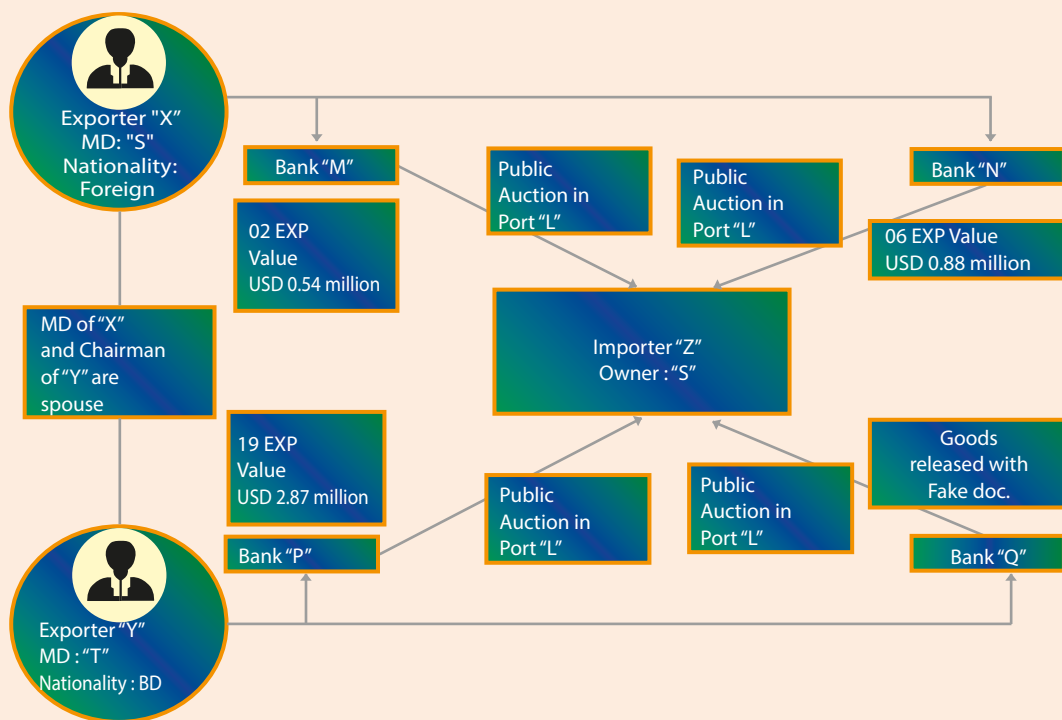
Two garments companies "X Garments Ltd" and "Y Knitting Ltd" exported goods worth USD 5.09 million to business entity "Z Ltd" against 33 export bills through 04 banks namely "M" "N" "O" and "P". Here 33 EXP were issued By 04 banks against Sales contract on advance remittance basis. But export proceeds amounting USD 4.68 million out of USD 5.09 million had not been repatriated from business entity "Z Ltd".

Company "X Garments Ltd" is an "A" type 100% export oriented Garments Company and "Y Knitting Ltd" is a "C" type export oriented garments company. Analysis of BFIU revealed that the Managing Director of the company "X Garment Ltd" is Mr. 'S' while Mrs. 'T' is the chairman of company "Y Knitting Ltd" and they are spouse. Further analysis revealed that the same Mr. 'S' is also the owner of the foreign business entity "Z Ltd".

Bank "M" issued BTB LC against a fake contract submitted by Company 'X Garments Ltd'. "Mr. 'S' created 03 paper based business entity and accommodation bills were made through local BTB LC in Bank "M". Bank "M" issued 02 EXP and Bank "P" issued 19 EXP against contract and discounted the bills. Bank" N" issued 06 EXP and Bank "O" also issued 06 EXP against contract on advanced remittance basis.

It is mentionable that the goods (FOB Value USD 4.29 million) exported through the LCs issued by Bank M, N and P were found to be sold in a public auction at "L" Port of the importer country. Even, the importer company "Z Ltd" released goods of 06 EXP of Bank "O" with copied documents although the Original shipping documents were found to be held in the custody of Bank "O".

Both company “X” and “Y” are directly connected with business entity “Z” as the Managing Director of company “X” is also the owner of business entity “Z” which is located in a Middle East Country. So, it was revealed that Mr. ‘S’ had exported goods from his Bangladeshi company to his own company located in a foreign country and ultimately did not expatriate the export proceeds and thus laundered money from Bangladesh through Trade. Based on the analysis, an Intelligence Report with supporting documents was disseminated to Customs intelligence and Investigation Directorate, National Board of Revenue and Criminal Investigation Department (CID), Bangladesh Police for further investigation and necessary legal actions under the provisions of MLPA, 2012.



Offence	Trade Based Money Laundering
Customer	"A" and "C" type export oriented garments company .
Industry	Export oriented garments company.
channel	Banking
Report Type	SAR
Jurisdiction	Domestic and International
Designated Service	OBU loans and Export Finance
Indicators	Export of Goods to directly connected foreign business entity and export proceeds not repatriated.

Case 5

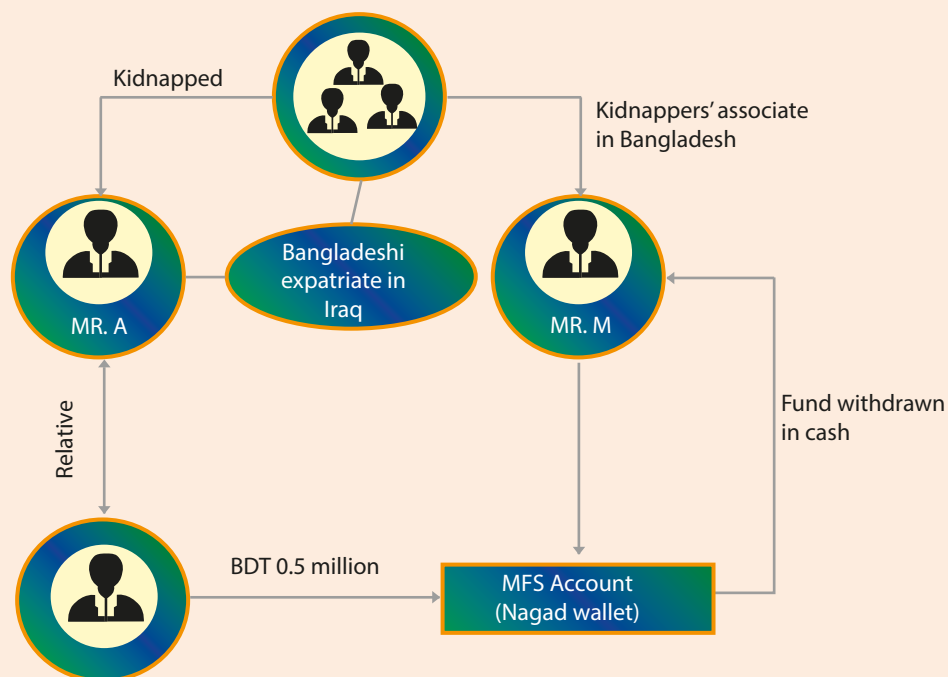
Abuse of MFS account for collection of ransom in Iraq by criminal syndicate.

Mr. A, a Bangladeshi expatriate in Iraq was kidnapped by more than three other Bangladeshi there. The kidnappers locked him in a secret place and demanded ransom of BDT 2 million from the family. The victim's relatives were given a personal MFS account details to deposit the ransom amount. The account belonged to Mr 'M' a cohort of the same kidnappers who lives in Bangladesh. In an attempt to save the victim, the relatives deposited BDT 0.5 million to the MFS account of Mr. M.

Apart from the above mentioned facts, BFIU analysis revealed the following facts:

- Cash deposit of BDT 0.5 million was made through 10 transactions from a business account of the same MFS Service provider named 'T' Enterprise.
- Mr 'M' transferred that ransom amount to 03 (three) different business account and 12 transactions were made to withdraw BDT 0.49 million in cash.

Based on the findings, BFIU prepared an intelligence report and disseminated to CID of Bangladesh Police for necessary legal action under the provision of MLPA, 2012.



Offence	Kidnapping
Customer	Person, Entity
Industry	Bank
Channel	Mobile Financial Service
Report Type	Complaint
Jurisdiction	International, Domestic
Designated Service	Account Service
Indicators	Transferring illicit money to different accounts to disguise the source

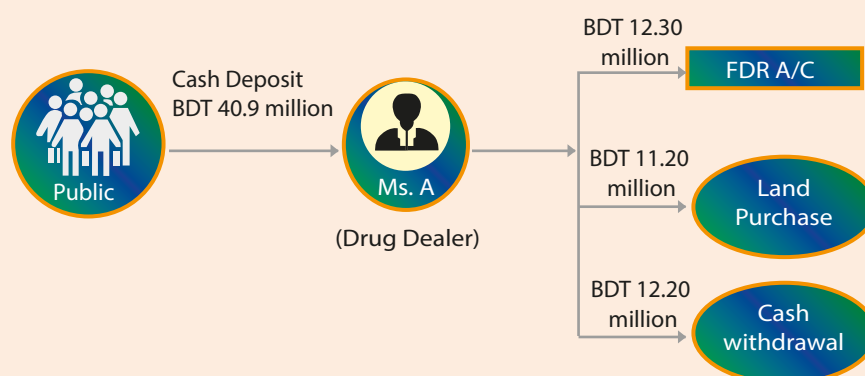
Case 6

Bank Account used as a route to transact illicit drug money

Ms 'A', a housewife opened an account with bank "P" in January, 2008 declaring a monthly income of BDT 06 (six) thousand only. Till September 2019, BDT 40.9 million was deposited into that account while withdrawal amount was BDT 35.7 million. Interestingly all the deposits were cash but the withdrawals were electronic fund transfer to 12 FDR accounts and pay orders worth BDT 13.5 million to various individuals and organizations. These unusual transaction patterns raised suspicion and branch officer visited client's area of residence where they learned that client was a well-known drug dealer and her spouse had also been involved in the cannabis trade. There upon transaction details of Ms 'A's bank account were obtained and analyzed.

Analysis interestingly unearthed that BDT 3.99 million was deposited in her account only in July 2018 which was very unusual and did not match with her income declaration. The client had issued pay orders worth BDT 11.195 million against the account to purchase three pieces of lands. It was very suspicious for a housewife on a quoted income of BDT 6000 a month to transact millions of takas in her account, make huge payments into FDRs in her own name and issue pay orders also worth millions to different individuals and organizations within a short period of time. It was apparent that the individual had been hiding illegal sources of income and routing them through her account. Thus far, the branch officials could not determine the authenticity of her declared sources of income which stated house rent, profits from business and agricultural income.

Therefore, a high volume of transaction followed by immediate issuance of time deposits, pay orders and investments to land purchase clearly indicated that the client had injected proceeds of illegal activity into her account while disguising it as licit sources of income. BFIU prepared an intelligence report and shared with Criminal Investigation Department of Bangladesh Police for investigation under Money Laundering Prevention Act 2012.



Offence	Trade in illegal drugs
Customer	Person
Industry	Bank
Channel	Banking
Report Type	SAR
Jurisdiction	Domestic
Designated Service	Account Service
Indicators	False source of income Unreasonable transaction pattern compared to income Huge volume of transaction followed by immediate issuance of FDRs and land purchase

Case 7

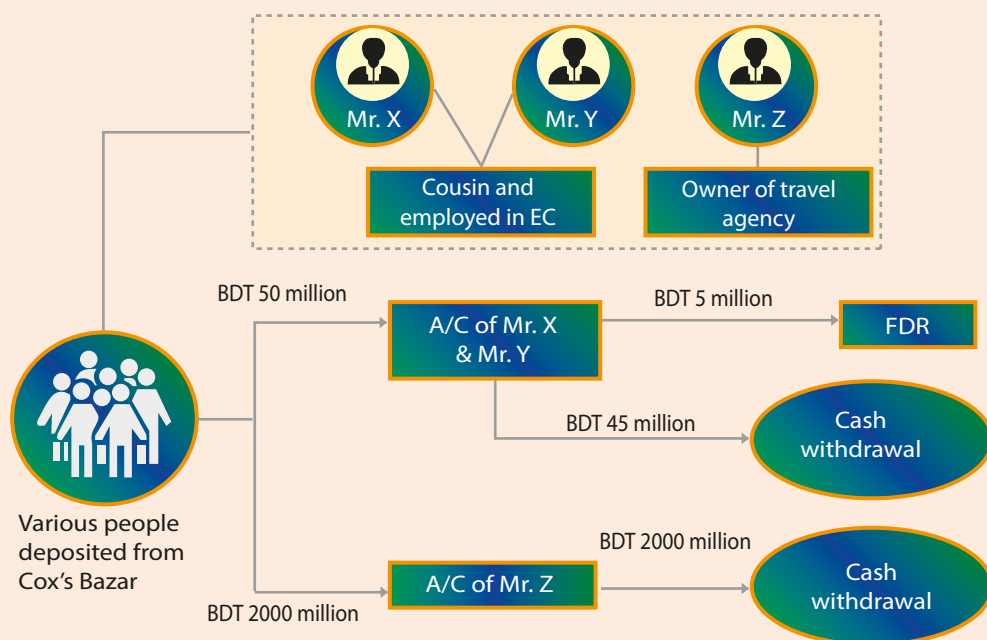
Acquisition of illicit money through corruption, fraud and deception by facilitating Bangladeshi national identity card and passport to Rohingya Refugees

Mr. X and his cousin Mr. Y were involved in facilitating Bangladeshi NID and Mr. Z, owner of a travel agency, was involved in facilitating Bangladeshi passport to Rohingya Refugees.

Based on media reports and STR from two banks, BFIU conducted thorough analysis that revealed the following facts:

- Mr. X and his cousin Mr. Y opened 11 bank accounts within a short period of time in 06 different Banks and transacted nearly BDT 50.00 million. All the transactions were in cash.
- Both Mr. X & Mr. Y opened FDR accounts in their own and spouse's name transferring BDT 5.00 million.
- A group of people were frequently transacting in the accounts of Mr. X & Mr. Y and their names were published in the national daily newspaper stating their involvement in NID scam. Further analysis revealed that they were the acquaintances and relatives of Mr. X and Mr. Y.
- Travel agency owner Mr. Z opened 09 Bank accounts in 03 different banks. It was identified that almost BDT 2050.00 million was deposited here mostly in cash from Cox's bazar Branches where the Rohingya Refugees reside .
- Interestingly, all the withdrawal took place in Dhaka where the travel agency was located.
- All the cash deposit transactions of Mr. X and Mr. Y also took place in Cox's Bazar Branch which was unusual and suspicious.

It was suspected that Mr. X and Mr. Y had formed an organized group with various officials and their relatives working in the Election Commission and they were practicing fraudulent activities misusing Government authority and acquired illicit wealth. On the other hand, Mr. Z facilitated passport using the NIDs of Rohingya Refugees under the cover of his travel agency business. Finally an intelligence report with supporting documents was disseminated to Anti Corruption Commission for further investigation and necessary legal actions as per MLPA, 2012.



Offence	Fraud, Corruption
Customer	Person, Entity
Industry	Bank
Channel	Banking
Report Type	STR, Media
Jurisdiction	Domestic
Designated Service	Account Service
Indicators	Significant cash transaction in the account of Government employees Remote Branch Banking Media report

Case 8

Embezzlement of Bank fund through Trade based money laundering and obtaining loan against overvalued and Unrealized Export Bill.

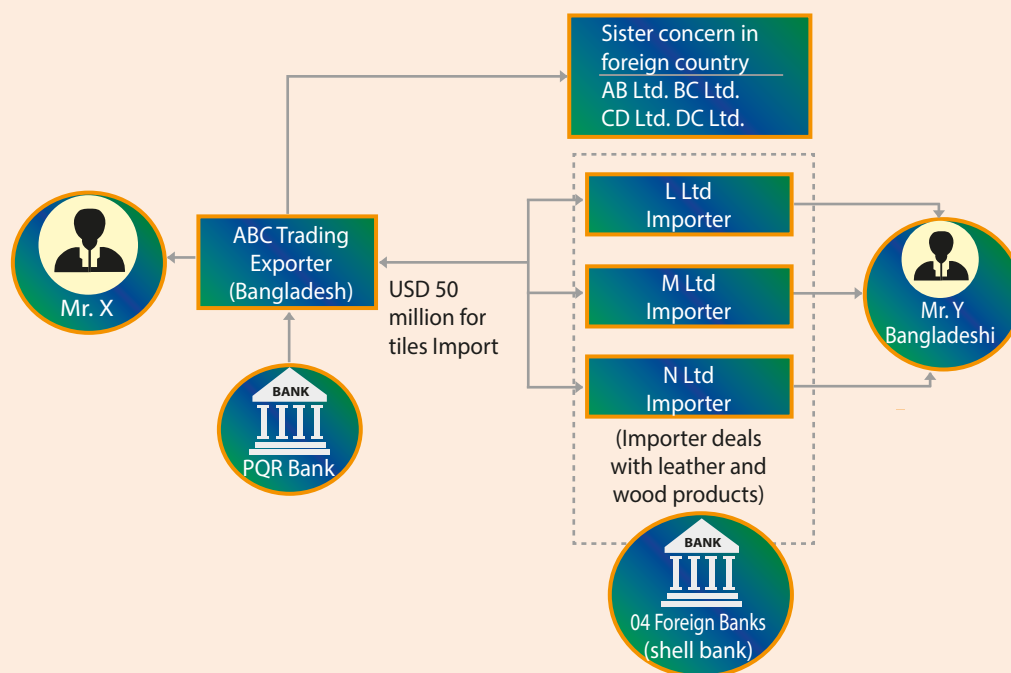
Mr. X, the proprietor of export-import and supplier company 'ABC Trading' established businesses abroad violating the provisions of Foreign Exchange Regulation Act, 1947. Open search revealed that 'ABC Trading' has 20 other sister concerns out of which four companies (1. AB Ltd, 2. BC Ltd, 3. CD Ltd, and 4. DC Ltd) were conducting business abroad.

Probing into the exports of 'ABC Trading' it was unveiled that export order valuing about USD 50.00 million against 110 LCs, issued by four foreign banks, had been sent to Bangladeshi Bank, PQR Bank' (LC Accepting Bank). The said LCs were issued by four banks 'in favor of 03 importer companies, L Ltd, M Ltd and N Ltd for importing tiles from the Bangladeshi company, 'ABC Trading'. Although a team including the branch manager of PQR Bank visited the factory of ABC Trading, they did not provide any visit report. Such a gap raised suspicion whether the exporting company had any production facility at all to export tiles.

On the other hand, analyzing the credit reports of the tiles importing companies it was revealed that the nature of the business of those three importing companies were leather and wool products. The Importation of different kinds of product in huge volume compared to their respective paid up capital seemed suspicious. Furthermore it was found that the owner of the three importing companies is a Bangladeshi Citizen Mr. Y. Such dubious situation increased suspicion of the analyst.

Unconvinced about the export, further analysis was carried out which revealed that all the four LC issuing banks were Shell Banks. Mr. X & Mr. Y in connivance with PQR Bank's senior executives successfully smuggled about BDT 25.00 million by fraud, forgery and overvalued Export Bills. Later, the bank allowed the exporters to take another BDT 18.00 million in the name of purchasing documentary bill. In doing so only 80 export bills out of 220 had been repatriated to Bangladesh in order to camouflage illicit business. BFIU analysis concluded that the exporter and importer, in connivance with senior bank officials under the disguise of international trade had siphoned off money abroad.

Following the findings, an intelligence report was sent to the respective Law Enforcement Agency under MLPA, 2012 for further investigation and legal action.



Offence	Trade Based Money Laundering, fraud
Customer	Person, Entity
Industry	Bank
Channel	Banking, Shell banks
Report Type	STR, Media
Jurisdiction	Domestic and International
Designated Service	Foreign trade
Indicators	Inconsistent nature of business of the importer companies Excessive overpricing Media report

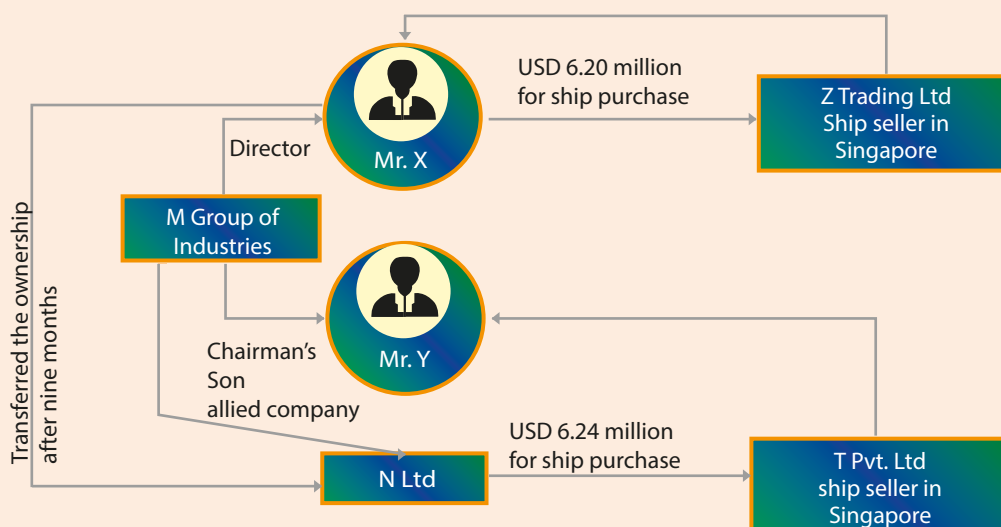
Case 9

Illicit Flow of Fund (IFF) by purchasing the same ship twice among related companies.

Mr. 'X', Director and son of Mr. 'Y', Chairman of 'M' Group of Industries smuggled money abroad through purchasing the same ship twice and for this purpose Mr. 'X' exchanged the ship with its own related company.

BFIU analysis revealed that Mr. 'X' and Mr. 'Y' established a trading company in Singapore. In January, 2018 his company purchased a ship named 'PV PARADISE' for USD 6.2 million. The ship was mainly used for transporting cement & clinker of 'M' Group of Industries. Nine months later, the same ship was purchased by 'N' Ltd Company in the name of 'PV PARADISE' at USD 6.24 million from a company named 'T' Pvt Ltd. 'N' Ltd Company is an allied company of 'M' Group of Industries.

Following the analysis it was suspected that Mr. 'X' perpetrated illicit flow of fund abroad by purchasing same ship twice using two different allied companies. Finally, an intelligence report with supporting documents was disseminated to the Customs Intelligence & Investigation Directorate for necessary legal action under the provision of MLPA, 2012.



Offence	Trade based money laundering, Fraud
Customer	Person, Entity
Industry	Bank, shipping
Channel	Banking
Report Type	STR, Media
Jurisdiction	Domestic and international
Indicators	Transaction among related persons and parties Obtaining loan by related persons/entities Purchase -sale between related persons/entities within short period.

Case 10

Corruption, Bribery & Illegitimate Wealth Acquisition by a Govt. Employee

An allegation against a government employee, Mr. 'X' regarding the amalgamation of huge wealth abusing powers vested in him by his position came to the notice of this Unit. It was also informed that by doing so the alleged person has acquired movable and immovable property in his name or under aliases in Bangladesh and Australia.

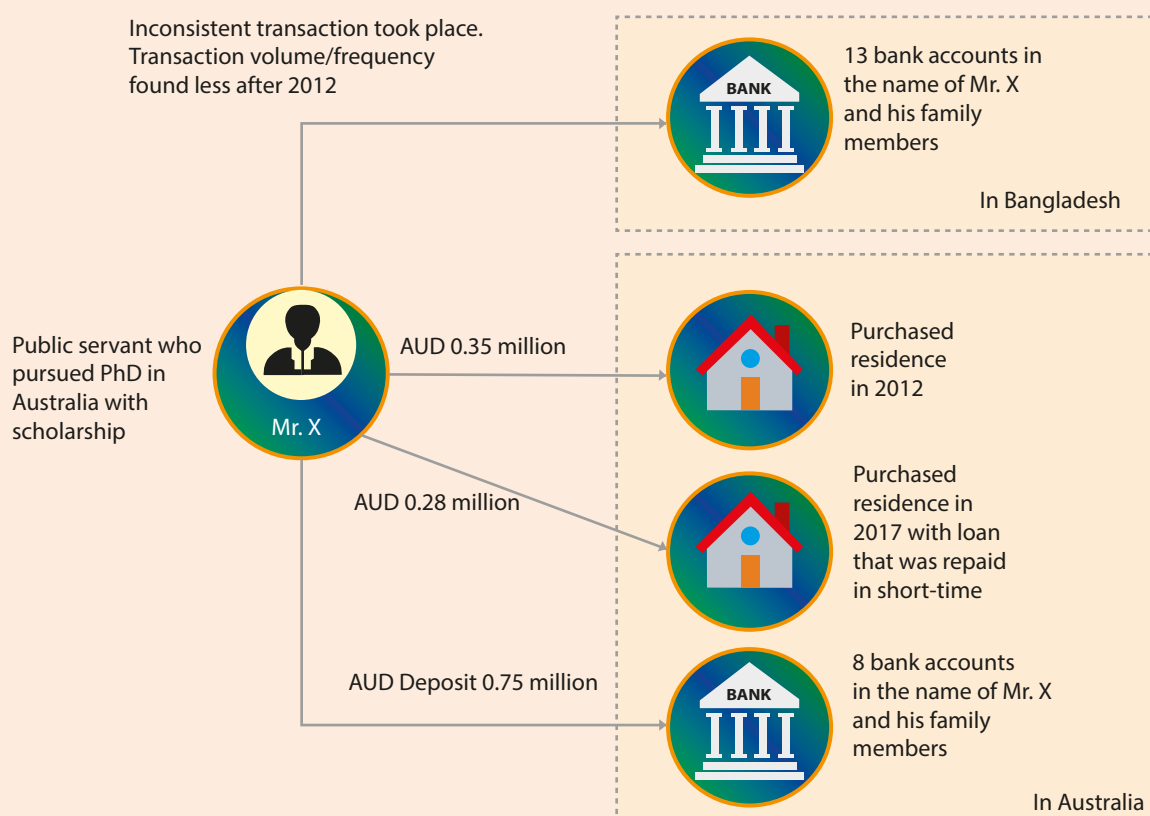
A total of 13 accounts (06 saving A/C, 01 FC A/C, 03 time deposit A/Cs, 02 FDR A/Cs and 01 locker A/C) had been found in the name of Mr. 'X', his wife Mrs. 'U', his daughter Mrs. 'T' and his son Mr. 'R'. Frequent large volume transactions (through clearing cheque, transfer, pay-order and cash) were observed.

BFIU analysis revealed 08 bank Accounts, 01 credit card and 04 debit card accounts under the name of Mr. 'X' and his related ones in Australia. Further analysis exposed information of buying a house, valuing AUD 3,45,000 in the name of Mrs. 'U' in Queensland in November 2012 as per RP Data of Property Information Company of Australia. But as per the employee payment history, he got a total of AUD 1,93,210 as stipend during the tenure of his PhD program in Australia. Again, information of depositing AUD 7,53,755 in the Australian accounts has been found. Besides, Mr 'X' had a Westpack Mastercard facility with a limit upto AUD 15,000. Later, he also obtained a loan amounting AUD 2,75,999 from Westpack Bank in December 2017 as Investment Property Loan indicating another property purchase in Australia in 2017. The most remarkable fact was that, the loan had been repaid in a short time which raises suspicion about such abrupt accrual of fund to meet up loan obligation. Transfer from the Australian account of Mr. 'X' to a beneficiary in Malaysia was also observed during analysis.

Moreover, FA Tourist Visa favoring Mr. 'X' was still found active in spite of his arrival to Bangladesh after his higher education. Furthermore, information of transaction in Australian account had been found till February 2019. Other notable finding was that amounts of AUD 1379.68, 904.38, 895.73 and 763.33 had been deposited as 'defense housing' to the account of Mr. 'X', his wife and their daughter from December 2017 to January 2019. The

amounts had been deposited through different accounts at a certain date of every month which are assumed to be deposited as utility bill purpose. But conducting transactions in Australian account after the arrival to Bangladesh appears suspicious. Whether the amount had been transferred to Australia from Bangladesh needs to be investigated. However, It is highly likely that the fund was transferred from Bangladesh through alternative channel.

An Intelligence Report had been disseminated to Anti-Corruption Commission for investigation and appropriate legal action.



Offence	Corruption and illicit outflow
Customer	Person
Industry	Bank
Channel	Banking
Report Type	Complaint, STR
Jurisdiction	Domestic and international
Designated Service	Account Service
Indicators	Significant suspicious transactions by a Government official at home and abroad Availing loan facilities in a foreign jurisdiction by Government official



List of Abbreviations

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ACC	Anti-Corruption Commission
AACOB	Association of Anti-Money Laundering Compliance Officers of Banks in Bangladesh
ADB	Asian Development Bank
AML & CFT	Anti-Money Laundering & Combating the Financing of Terrorism
APG	Asia/Pacific Group on Money Laundering
ARIN-AP	Asset Recovery Interagency Network Asia Pacific
ATA	Anti-Terrorism Act
ATU	Anti-Terrorism Unit
AUD	Australian Dollar
BAMLCO	Branch Anti-Money Laundering Compliance Officer
BB	Bangladesh Bank
BDT	Bangladesh Taka
BFIU	Bangladesh Financial Intelligence Unit
BP	Bangladesh Police
BSEC	Bangladesh Securities and Exchange Commission
CAMLCO	Chief Anti-Money Laundering Compliance Officer
CCC	Central Compliance Committee
CCU	Central Compliance Unit
CDD	Customer Due Diligence
CID	Criminal Investigation Department
CMI	Capital Market Intermediaries
COSP	Conference of the States Parties
CTF	Counter Terrorism Financing
CTR	Cash Transaction Report
CTTCU	Counter Terrorism and Transnational Crime Unit
DFS	Digital Financial Services
DGFI	Directorate General of Forces Intelligence
DGM	Deputy General Manager
DMP	Dhaka Metropolitan Police
DNC	Department of Narcotics Control
DNFBP	Designated Non-Financial Businesses and Profession
EC	Election Commission
EDD	Enhanced Due Diligence
e-KYC	Electronic Know Your Customer
ESW	Egmont Secure Web
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FSB	Financial Stability Board
FSRB	FATF Style Regional Body
FY	Fiscal Year
GM	General Manager
GoB	Government of Bangladesh
ICAB	Institute of Chartered Accountants of Bangladesh
ICRG	International Cooperation Review Group

IDRA	Insurance Development & Regulatory Authority
IMF	International Monetary Fund
ITP	Independent Testing Procedure
JD	Joint Director
KYC	Know Your Customer
LC	Letter of Credit
LEA	Law Enforcement Agency
ML & TF	Money Laundering & Terrorist Financing
MLA	Mutual Legal Assistance
MLPA	Money Laundering Prevention Act
ME	Mutual Evaluation
MER	Mutual Evaluation Report
MoU	Memorandum of Understanding
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoHA	Ministry of Home Affairs
MFS	Mobile Financial Service
MRA	Microcredit Regulatory Authority
NBR	National Board of Revenue
NBFI	Non-Bank Financial Institution
NCC	National Coordination Committee
NGO	Non-Government Organization
NGOAB	NGO Affairs Bureau
NID	National Identity Document
NPO	Non-Profit Organization
NRA	National Risk Assessment
OPDAT	Office of Overseas Prosecutorial Development, Assistance and Training
PEP	Politically Exposed Person
PF	Proliferation Finance
RAB	Rapid Action Battalion
RJSC	Registrar of Joint Stock Companies and Firms
RO	Reporting Organization
SB	Special Branch
SGAML-CFT	Sub-Group on Anti-Money Laundering and Combating the Financing of Terrorism, BIMSTEC
StAR	Stolen Asset Recovery
STR	Suspicious Transaction Report
TBML	Trade Based Money Laundering
TC	Technical Compliance
TP	Transaction Profile
UNCAC	United Nations Convention against Corruption
UNODC	United Nations Office on Drugs and Crime
UNSCR	United Nations Security Council Resolutions
USD	United States Dollar
WMD	Weapons of Mass Destruction

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