

Anti-Money Laundering Department
Bangladesh Bank
Head Office
Dhaka.

AML Circular No. 18

Date: 10/08/2008

Chief Executive
All Insurance Companies in Bangladesh

**Instructions to be followed by the Insurance companies for
compliance of the provisions contained in the
Money Laundering Prevention Ordinance,2008**

Dear Sir,

Attention is drawn to the AML Circular No. 16/2008 issued on 29 April, 2008. As per section 2(th) of Money Laundering Prevention Ordinance 2008, besides other organizations all insurance companies working in Bangladesh are selected as the reporting organisations. While performing the day to day work of the reporting organisation, if any transaction or related other activities of a client/policy holder seems unusual/suspicious of having connections to money laundering will have to be reported immediately to Bangladesh Bank. The following instructions are issued as per power conferred in section 23 of Money Laundering Prevention ordinance, 2008 for proper compliance of the provisions of the said ordinance by the Insurance Companies.

01. To ensure proper compliance of section 25 of Money Laundering Prevention Ordinance, 2008 each insurance company will establish system of internal monitoring through formation of a Central Compliance Unit at the Head Office under the leadership of a high official and through nomination of a compliance officer at the branch/unit level of each insurance company. CCU will be under direct supervision of the Chief Executive Officer. In order to accomplish properly the jurisdiction and function of the Central Compliance Unit, each insurance company will determine institutional strategy and program. Central Compliance Unit will issue the instructions to be followed by the branches/agencies. These instructions will be prepared combining the issues of monitoring of transactions, monitoring, internal control, policies and procedures from the point of preventing money laundering
02. The following responsibilities will be carried out by the insurance companies as per section 25 of Money Laundering Prevention Ordinance, 2008
 - (ka) before issuing a policy in favour of any customer, the insurance company will collect correct and complete introductory information about the customer with related documents and verify the information/documents for it's authenticity and preserve the documents.
 - (kha) shall preserve record of transaction with all necessary documents for a period of at least five years from the date of closing any account or cancellation of any Policy/closing on maturity/rejection of any policy

- (ga) provide the records kept under clause (a) and (b) to Bangladesh Bank time to time upon request.
03. If there is any reasonable ground to believe that a transaction or attempt of a transaction may have connections to money laundering as per Money Laundering Prevention Ordinance, 2008 will have to be reported immediately to the Central Compliance Unit of the concern company using form "Ka". Central Compliance Unit will examine and review the received report with comments and if considered as a reportable case will be forwarded to Anti-Money Laundering Department, Bangladesh Bank with confidentiality. The report received from the branch/agency must not be delayed more than 5(five) working days in the case of sending to Bangladesh Bank.
04. Insurance Companies will take necessary actions with appropriate vigilant and responsibility to detect and combat money laundering through Insurance companies
05. In order to ensure proper compliance of the Money Laundering Prevention Ordinance, 2008 each insurance company will arrange appropriate training for the officials.
06. The Insurance Companies are requested to ensure proper compliance of the Money Laundering Prevention Ordinance, 2008 and to inform the subject to all concern.
07. The Insurance companies will inform Anti Money Laundering Department of Bangladesh Bank about the actions taken by them in this regard within one month.

Please acknowledge receipt.

Yours Sincerely,
(Signed)
(Md. Eskandar Miah)
General Manager (current charge)
Phone - 7124366