

**Anti-Money Laundering Department
Bangladesh Bank
Head office
Dhaka .**

Sraban 2,1409

Ma: La: Pra : Circular No. 02 .

Date -----

July 17,2002

All Banks and Financial Institutions

**Instruction to be followed for compliance of the provisions
contained in the Money Laundering Prevention Act. 2002.**

Dear Sirs,

Attention is drawn to the Ma:La:Pra: Circular No. 01 dated 18.05.2002 of the Foreign Exchange Policy Department to the captioned subject.

02. For proper compliance of the provisions of Money Laundering Prevention Act, 2002 the following instructions are issued as per power conferred in section 4 of the above act for compliance by the banks and financial institutions.

(Ka) As per article 19(i) (Ka) of Money Laundering Prevention Act, 2002 each bank and financial institution will preserve correct and full information of their customer. In case of request to remit money through draft/T.T from any person other than the account holder correct information with regard to full name and address of the person requesting for such remittance should be preserved. Detail instructions to be followed in this regard can be seen at Appendix 'Ka' .

(Kha) Correct and detail up to date information of transactions in each account should be preserved and as per article 14(1) (Ka) of Money Laundering Prevention Act, 2002 the bank and financial institution will preserve record of transaction for a period of at least five years from the closing of transactions in the account of an client .

(Ga) To ensure compliance of the article 19 of the Money Laundering Prevention Act, 2002 each bank and financial institution will establish arrangement for internal observation and control through formation of a Central Compliance Unit under the leadership of a high official at the Head Office and nomination of a officer at the branch level of each bank and financial institution . In order to accomplish properly the Jurisdiction and function of the Central Compliance Unit, each bank and financial institution will determine institutional strategy and program . Central Compliance Unit will issue the instructions to be followed by the branches. These instructions will be prepared on the basis of combination of observation of transactions, internal control, policies and procedures from the point of view to prevent money laundering .

(Gha) In order to identify and monitor unusual transactions, each bank and financial institution will collect and preserve the prospective, transaction profile of the client. Transactions in the account will be considered as unusual if the same is inconsistent with the declared transaction profile provided if on enquiry the client failed to give a satisfactory explanation .

(Umah) All employees of the bank and financial institution are to remain conscious and alert to identify unusual/suspicious transactions and just after detection of unusual/suspicious transactions which may have connections with money laundering as per article 19(1) (Ga) of Money Laundering Prevention Act, 2002 will be reported in writing as per proforma at Appendix-Ga attached herewith to the nominated compliance officer of the of the branch (REF. Appendix 'Kha' on the features of detecting unusual/suspicious transactions). The Compliance Officer will immediately analyse the reported incident properly and record in writing with reasons in details whether the transaction is connected with money laundering or not. If the reported issue appears to be connected with money laundering he will send immediately the details of the incident along with a copy of the above form to the Central Compliance Unit. Central Compliance Unit will examine and analyse the report received and record its observation on the above form Ga and if the incident is considered to be reportable to Bangladesh Bank , the same should be sent immediately to Anti-Money Laundering Department, Bangladesh bank, Head Office, Dhaka .

On the issue of reported unusual/suspicious transactions, no officer of the bank or financial institution will disclose the same to the clients or any other persons so that the investigation are hampered or influenced adversely.

(Cha) The nominated officer will send a consolidated quarterly statement of the cases reported to him to the Central Compliance Unit, Head office as per Appendix- Gha attached herewith, Central Compliance Unit will send the information of the reported cases to Anti-Money Laundering Department, Bangladesh Bank, Head office Dhaka on quarterly basis in the same proforma .

(Chha) In order to ensure proper compliance of the Money Laundering Prevention Act, 2002 each bank and financial institution will arrange proper training to its officers.

03. Formation of Central Compliance Unit and the reporting activities of unusual suspicious transactions should be taken immediately as per instruction mentioned above. Detailed internal instructions to be followed by the Central Compliance Unit and the branches should be prepared by 15th September, 2002 and should be in formed this department of it with a copy there of.

Mean while please acknowledge receipt of it .

Enclosure: As stated .

Your's Sincerely

Sd/-

(A.K.M. Mostafizur Rahman)
Deputy General Manager
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The Indicative List of Information to be obtained to Establish Customers' Identity

For every transaction correct identity of the customer has to be carefully ascertained . In this connection, in the applicable cases, importance should be given to the personal interview with the customer. For ensuring full satisfaction about the correct particulars of the customer, following information and documents should be collected and preserved .

Account Holder Customer :

(Ka) Personal Account :

(1) Name. (2) Present and Permanent Address, (3) Date of Birth, Age (4) Nationality, (5) TIN No.(if any) (6) Passport or employer certificate or certificate about the credentials by the Ward Commissioner/Union Chairman, (7) Photograph of the account holder (must be taken).

(Kha) Corporate or Business Firm Account :

- (i) Sole Proprietorship :** Requisite information as stated in 1 (a) relevant for the account operator along with trade license.
- (ii) Partnership:** Requisite information as stated in 1 (a) relevant for the partners along with Trade License and Partnership Deed.
- (iii) Limited Company:** Certificate of Incorporation, Articles and Memorandum of Association, Formal Resolution adopted in the Board meeting, declaration about the Directors and the information of 1 (a) relevant for the account operator (for verifying the genuineness of the information about the company and the directors, certified copies of the returns submitted to the Registrar of Joint Stock Companies should be taken. If the Company is incorporated outside Bangladesh, documents attested by the Bangladesh Embassies/High Commissions in the respective countries should be submitted).

(Ga) Account of Other Organizations:

- (i) Club/Society:** Particulars of the office, bearers, Constitution or By-Laws, if registered the Government authorization letter etc.
- (ii) Co-operative Society/Limited Society:** By-Laws authenticated by the Co-Operative Officer, particulars of the office bearers, resolution for opening of account, certificate of registration etc.
- (iii) Private School, College and Madrasha:** Full particulars of the members of the Governing Body or Managing Committee, Resolution for opening of Account, etc.
- (iv) Trustee Board:** Certified copy of the deed of the trust, full particulars of the members of the trustee Board, resolution for opening of Account, etc.

(2) Customer Other than Account Holder:

In case of request for remittance and other banking services made by the persons not maintaining an account with the bank full name and address of the requesting persons have to be preserved.

Indicative list of issues to be looked into for identifying unusual/suspicious transactions

If proper explanation is not received on enquiry from the client on transactions which is inconsistent with the declared transaction profile of the client, then those transactions can be treated as unusual transactions.

Suspicious transactions will mean those transactions which have arisen out of activities mentioned in article 2 (Tha) of Money Laundering Prevention Act, 2002. In other words, the transactions which generally do not appear to have not been arisen out of known and legal earnings of the clients will be regarded as unusual transactions:

1. Some of the relevant features in identifying unusual/suspicious transaction at the branch level of banks/financial institutions are mentioned below :
 - 1.1 Transactions for unusually large amount inconsistent with the known income of the individual or company.
 - 1.2 Request for remittance to different destinations in favour of other parties with whom connection of the client is not clear.
 - 1.3 Although small deposits are made in each occasion, the accumulated total deposit is large enough to be inconsistent with the known activities of the client.
 - 1.4 At the time of opening account inability/unwillingness/delay in giving information about the client.
 - 1.5 Direct contact with the branch is often avoided by the representative of the company.
 - 1.6 Sale/purchase of securities for large amount inconsistent with the legal known income of the client.
2. Some of the relevant issues to be looked in to by the Central Compliance Unit of the bank/financial institution in examining unusual/suspicious transactions:
 - 2.1 Sudden unusual increase/decrease in cash transaction and internal remittance through any branch.
 - 2.2 Receipt of fewer number of reports on unusual/suspicious transactions in comparison to other branches.

Reporting Form of Unusual / Suspicious Transaction

Reference :Ma: La: Pra: Circular No.02 dated 17/07/2002,Section 2(Uma).

----- **Bank / Financial Institution**----- **Branch****1. Reporting Officer :**

Name :
 Department/Division :
 Designation :

2. Information of the Suspected Person/ Institution in the Case of the Unusual / Suspicious Transaction:

Ka) Name
 Kha) Address (Present and Permanent)
 Ga) Date of Birth
 Gha) Nationality
 Uma) Passport No. (If any)
 Cha) TIN No. (If any)
 Chha) Account No & Type of Account
 Ja) Account Opening Date
 Jha) Name and Address of the Introducer for Opening the Account :

3. Description of Unusual/Suspicious Transaction :

Ka) Amount of Money Involved :
 Kha) Dates of Transaction :
 Ga) Type of Transaction :

4. Reasons/Situations for Treating the Transaction as Unusual/Suspicious Transaction :**5. Other Information :**

Signature of Officer
 Time
 Date

(To be filled in by the Compliance Officer of the Branch)

1. Report on the basis of investigation and analysis after detecting Unusual /Suspicious Transactions :
2. Whether the reported incident prima-facie falls under money laundering and reportable to the Central Compliance Unit or not : Yes/No.
3. Date and Reference No of reporting to the Central Compliance Unit :

Date and Signature of the
 Branch Compliance Officer

(To be filled in by the Central Compliance Unit)

1. Report on the basis of investigation and analysis after detecting an unusual /suspicious transactions
2. Whether the transaction falls under money laundering and need to be reported to Bangladesh Bank : Yes/No .
3. Date and Reference No of reporting to Bangladesh Bank .

Signature of the designated officer of the Central Compliance Unit
 Reference No.
 Telephone and Fax No-

Quarterly Statement on Unusual /Suspicious Transactions

-----**Bank**
 -----**Branch**

Consolidated quarterly statement as at -----

SI No	Date of Reporting	Brief description of the incidence	Whether the incidence has been reported to the Central Compliance Unit, if so, Ref No and date	Whether the incidence has been reported to Bangladesh Bank by the Central Compliance Unit, if so, Ref No and date
(1)	(2)	(3)	(4)	*(5)

Signature of Authorized Officer
 Date

 *Not required to be filled in by the branch