

(English Version)

Anti Money Laundering Department
Bangladesh Bank
Head office
Dhaka
www.bangladeshbank.org.bd

A.M.L. Circular No.: 14

Date: 25 September, 2007

Chief Executives
All Banks/Financial Institutions

**Instructions for opening and maintaining the
accounts of Politically Exposed Persons (PEPs).**

Dear Sirs,

By the power conferred under section 4 & 19 of Money Laundering Prevention Act, 2002 (Act No. 7 of 2002), the following instructions are issued in compliance with United Nations Convention against Corruption (UNCAC) and Recommendation no. 06 of Financial Action Task Force (FATF), for all scheduled banks/financial institutions to follow properly:

2. Banks and Financial Institutions should exercise Enhanced Due Diligence, in relation to Politically Exposed Persons (PEPs):
 - a. Have the risk management system to identify PEPs.
 - b. Obtain senior management approval for establishing business relationships with such customers.
 - c. Take reasonable measures to establish the source of wealth and source of funds.
 - d. Conduct ongoing monitoring of the business relationship.
3. PEPs refer to “*Individuals who are or have been entrusted with prominent public functions in a foreign country, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials. Business relationships with family members or close associates of PEPs involve reputational risks similar to those with PEPs themselves.*”
4. All instructions of Money Laundering Prevention Act, 2002 and directions given with reference to the said Act should be followed properly. The banks/financial institutions should observe all formalities as detailed in Guidelines for Foreign Exchange Transactions while opening accounts of non-residents.
5. The above instructions will be applicable with immediate effect.

Please acknowledge receipt.

Yours faithfully,

(M. Mahfuzur Rahman)
General Manager (In-Charge)
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