

2014



Annual Report

Bangladesh Financial Intelligence Unit



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FY 2013-2014

A Year of Achievements

Achieving EGMONT Group Membership

BFIU with its persisting effort and endeavor has achieved the Egmont Group membership on 03 July, 2013.

Getting rid of the ICRG Process

Bangladesh has been delisted from the ICRG Process of FATF in February, 2014.

Strengthening Cooperation with the FIU of other Jurisdictions

BFIU has signed 10 MoU with FIUs of different countries in FY 2013-2014



MESSAGE FROM GOVERNOR

I am happy to know that Bangladesh Financial Intelligence Unit (BFIU) is going to publish Annual Report of FY 2013-2014. As the central agency of the country for combating money laundering (ML), terrorist financing (TF) and any other related offence, BFIU has been performing its responsibilities in a time befitting manner as well as putting in place proper legal framework, robust systems and procedures that meet the major attributes to the international standards.

The FY 2013-2014 was remarkable for Bangladesh as the country has gained international recognition for its significant progress in the areas of combating ML & TF. On February 13, 2014, in a plenary meeting of Financial Action Task Force (FATF) in Paris, France, it was unanimously decided that the anti money laundering (AML) and combating financing of terrorism (CFT) activities of Bangladesh has achieved the international standard. As a consequence, Bangladesh has come out from the list concerning countries that are risky towards integrity and stability of international financial system. This achievement will not only result in enhanced prestige in the international arena, but will also reduce the cost of international business. Moreover, BFIU has achieved the long cherished Egmont Group membership on 3 July, 2013 after a long laborious attempts and thorough rigorous evaluation. The membership of Egmont Group has given access to a wider platform and made the process of exchanging of information easier with the FIUs of other member countries. With the strong political commitment of Bangladesh Government and the dynamic leadership of BFIU these achievements have been materialized.

It is a great pleasure that Bangladesh has been elected co-chair of Asia Pacific Group on Money Laundering (APG) for 2018-2019 and is going to host the annual meeting of APG in 2016 and 2019. Moreover, the 3rd round AML & CFT Mutual Evaluation of Bangladesh will be conducted in the year 2015.

I believe that BFIU team's persistent efforts to uphold BFIU as a competent and indispensable institution in the fight against ML & TF at national and international level shall contribute to face the upcoming challenges and to develop a robust and transparent financial system in Bangladesh as well. I appreciate all the effort invested so far to strengthen the BFIU and also encourage the team to continue their tireless efforts in the days to come to increase credibility.

Finally I would like to thank all of my colleagues of BFIU who have contributed a lot in the preparation of this report.



(Dr. Atiur Rahman)
Governor
Bangladesh Bank



FOREWORD

Bangladesh Financial Intelligence Unit (BFIU) has been publishing its annual report since 2011 but after enactment of Money Laundering Prevention Rules, 2013 it has become obligatory to publish the annual report on a regular basis. Being the central agency BFIU plays the pivotal role in curbing money laundering (ML), terrorist financing (TF) and financing of proliferation of weapons of mass destruction offences with a view to ensuring a robust and stable financial system in Bangladesh.

I would like to mention that the FY 2013-2014 was very significant for BFIU. For the strong commitment of the Government of Bangladesh and wholehearted engagement by all concerned agencies, Bangladesh has achieved the international recognition for the compliance of anti money laundering (AML) and combating financing of terrorism (CFT) and proliferation financing (PF). As a result, Bangladesh has come out from the International Co-operation review Group (ICRG) process that will obviously have a positive impact on building relationship with other countries and international business activities. Acknowledging the importance of rapid exchange of information and effective international cooperation, BFIU had pursued to achieve the membership of Egmont group and finally achieved it in July 2013. Through Egmont membership BFIU has achieved access to a wider global platform and is now exchanging data and information via Egmont Secure Web with the member FIU's. Moreover, with the continuing endeavor BFIU has signed MoU with the FIU's of 25 different countries so far among which 10 MoU have been signed in FY 2013-2014.

Bangladesh Government is highly committed to strengthen the country's AML & CFT regime and through continuous effort enacted Anti Terrorism (amendment) Act, 2013; Anti Terrorism Rules, 2013; Money Laundering Prevention Rules, 2013 and Mutual Legal Assistance in Criminal Matters Rules, 2013 during FY 2013-2014. BFIU, in line with the respective acts and rules, has been performing its responsibilities such as formulating and implementing required policies, conducting onsite and off-site supervision of reporting agencies, maintaining liaison with domestic agencies and international counterparts and building capacity and awareness of the officials of BFIU, reporting organizations and law enforcing agencies as well.

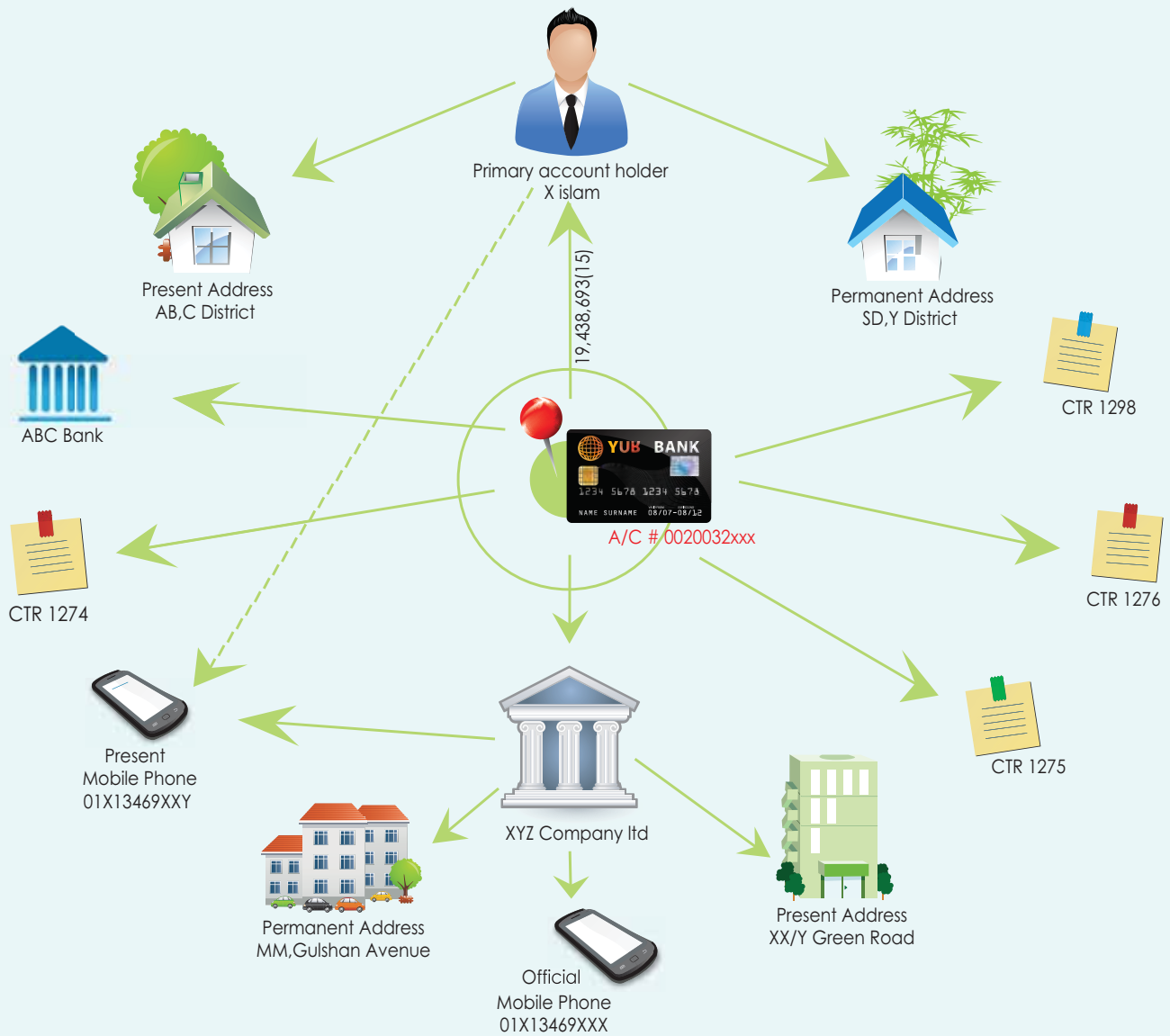
After getting rid of the ICRG process, to maintain the statuesque of the AML & CFT compliance internationally, the future priority of BFIU is to face the 3rd round Mutual Evaluation of Bangladesh in an effective manner. BFIU has already prepared an action plan and been performing the responsibilities in collaboration with different Government organizations.

This report gives an overview of BFIU's operations FY 2013-2014 and reflects the numerous and multi-faceted activities of BFIU in the fight against ML, TF & PF. It also includes the snapshot of the FY 2012-2013. I do believe that the report will provide the readers useful insight into the operations of BFIU.

I really appreciate the enormous efforts of all the members of BFIU and I am confident that BFIU team will be more committed to uphold AML & CFT regime in the days to come for the stable economic prosperity in Bangladesh.



(Abu Hena Mohd. Razee Hassan)
Deputy Governor
Head of BFIU
Bangladesh Bank



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INTRODUCTION

With the advancement of globalized economy, organized crime groups are generating huge amounts of illegal money through financial crimes and other illegal activities. Money laundering and terrorist financing are two such significant financial and organized crimes respectively which may jeopardize the stability and integrity of the financial system of a country and bring adverse impact to the global economy there on. Although combating against these kinds of crimes has become more challenging because of its continuous evolving trends and techniques, Financial Action Task Force (FATF), the international standard setter for combating money laundering, terrorist financing and other related offences, has also been setting up international new standards, providing and continuously reviewing the effective tools and methods which are to be followed by the individual jurisdictions to combat these crimes. According to the degree of compliance of these standards and techniques, the jurisdictions are rigorously evaluated and then ranked in various scales of status by FATF and FATF style regional bodies. This ranking is obviously a matter of prestige in the global arena of finance.

Bangladesh government has been giving immense importance on the compliances with the international standards on combating money laundering, terrorist financing and financing of proliferation of weapons of mass destruction to fulfill the goal of standardizing the country with a corruption and crime free financial sector as well as strengthen the anti money laundering (AML) and combating financing of terrorism (CFT) regime at per those standards. As the first South Asian country, Bangladesh enacted Money Laundering Prevention Act (MLPA), 2002 which shows the country's commitment to fight against money laundering. Subsequently Anti Terrorism Act 2009 has been promulgated to combat terrorism and terrorist financing in Bangladesh. To meet the shortcomings of these laws and make these laws in line with international standards the government further enacted Money Laundering Prevention Act, 2012 and Anti Terrorism (Amendment) Act, 2012 and 2013.

Being the central agency of preventing money laundering and combating the financing of terrorism, Bangladesh Financial Intelligence Unit (BFIU) is responsible to comply with all kinds of international standards. One of the major responsibilities of BFIU is to analyze the financial transaction reports received from different reporting agencies and to disseminate the financial intelligence obtained from these reports to the respective law enforcement agencies. BFIU has been continuing its initiatives to maintain liaison, cooperation and information exchange with AML/ CFT authorities in other countries considering the fact that money laundering and terrorist financing in most cases are transnational crimes. To execute its supervisory role properly, BFIU has introduced most sophisticated mechanisms to monitor the compliance standards of reporting organizations. The standards of compliance for the reporting agencies also have been improved significantly in the recent years. In this connection, it should be mentioned that, the foreign exchange reserve of Bangladesh has got an upward trend and has exceeded 21 billion USD meanwhile. One of the major reasons for achieving this feature is that the inward remittance flow has been increasingly channelized legally. BFIU has started creating impact on economic growth by enforcing the implementation of the provisions of the respective Acts.

To perform the responsibilities efficiently, BFIU has enhanced its capacity through establishing MIS, procuring various analytical software packages, introducing on-line reporting system, arranging training for the employees of BFIU, reporting organizations and of other law enforcement agencies. Although various initiatives have been taken to strengthen and modernize BFIU, considering the multitude of reporting organizations in the financial sectors and the DNFBPs, BFIU has challenging tasks ahead in enhancing its information processing , analytical capabilities as well as in equipping itself with skilled manpower and sophisticated technology to combat money laundering and terrorism financing effectively.

It is worth mentioning that FY 2013-2014 was especially significant for BFIU as well as Bangladesh's AML/ CFT regime. In February 2014, after the persistent and laborious effort for years, Bangladesh has come out from the International Co-operation Review group (ICRG) process of FATF. BFIU has also achieved the membership of Egmont Group in the Egmont Plenary held in July, 2013 in Sun City, South Africa. Through the Egmont membership, BFIU now has the access to a wider global platform and is able to exchange data and information through Egmont Secure Web (ESW) with other FIUs of different countries. BFIU is also working closely with its international counterparts to contribute in the global AML/CFT regime. To enhance the cooperation with foreign counterparts, BFIU has so far signed Memorandum of Understanding (MoU) with 25 countries including 10 (ten) MOU in the last fiscal year.

However, BFIU is committed to uphold its position in the upcoming years. To face the Mutual Evaluation to be held in 2015 conducted by Asia Pacific Group on Money Laundering (APG) shall be the topmost priority for the next year. Other priorities shall include implementation of risk based approach for monitoring; formulation of national strategy paper on AML/CFT for 2014-2016; accomplishment of the National Risk and Vulnerability Assessment and enhancement of the cooperation with domestic and international counterparts.

This annual report reflects a detailed description of the activities and accomplishments of BFIU in FY2013-2014 as well as provides a snap shot of FY2012-1013. Furthermore it shows the future priorities of BFIU. This public report will be helpful for the concerned departments, researchers, individuals and all its stakeholders and will give a detailed idea about the overall AML/CFT activities of the country as well as can be a reference document for further work.

BFIU AT A GLANCE

BFIU

Bangladesh Financial Intelligence Unit (BFIU) is the central agency of Bangladesh responsible for analyzing Suspicious Transaction Reports (STRs), Cash Transaction Reports (CTRs) & information related to money laundering (ML) /financing of terrorism (TF) received from reporting agencies & other sources and disseminating information/intelligence thereon to relevant law enforcement agencies. BFIU has been entrusted with the responsibility of exchanging information related to money laundering and terrorist financing with its foreign counterparts. The main objective of the BFIU is to establish an effective system for prevention of money laundering, combating financing of terrorism and proliferation of weapons of mass destruction.

FIU of Bangladesh was established in June 2002, in Bangladesh Bank (Central bank of Bangladesh) named as 'Anti Money Laundering Department'. To enforce and ensure the operational independence of FIU, Anti Money Laundering Department has been transformed as the Bangladesh Financial Intelligence Unit (BFIU) in 25 January, 2012 under the provision of Money Laundering Prevention Act, 2012 and has been bestowed with operational independence. BFIU has also achieved the membership of Egmont Group in July, 2013.

Legal Framework

BFIU works under the provisions of Money Laundering Prevention Act, 2012 & Money Laundering Prevention Rules, 2013; Anti Terrorism Act, 2009 & Anti Terrorism Rules, 2013.

Reporting Organizations of BFIU

Name of Reporting Organization	Year of Inclusion
Bank Financial Institution	2002
Insurer Money Changer	2008
Any company or institution which remits or transfers money or money value Any other institution carrying out its business with the approval of Bangladesh Bank	2008
Stock Dealer and Stock Broker Portfolio Manager and Merchant Banker Securities Custodian Asset Manager Non-Profit Organization Non Government Organization	2010
Cooperative Society Real Estate Developer Dealer in Precious Metals or Stones Trust and Company Service Provider Lawyer, Notary, Other Legal Professional and Accountant	2012

Vision

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



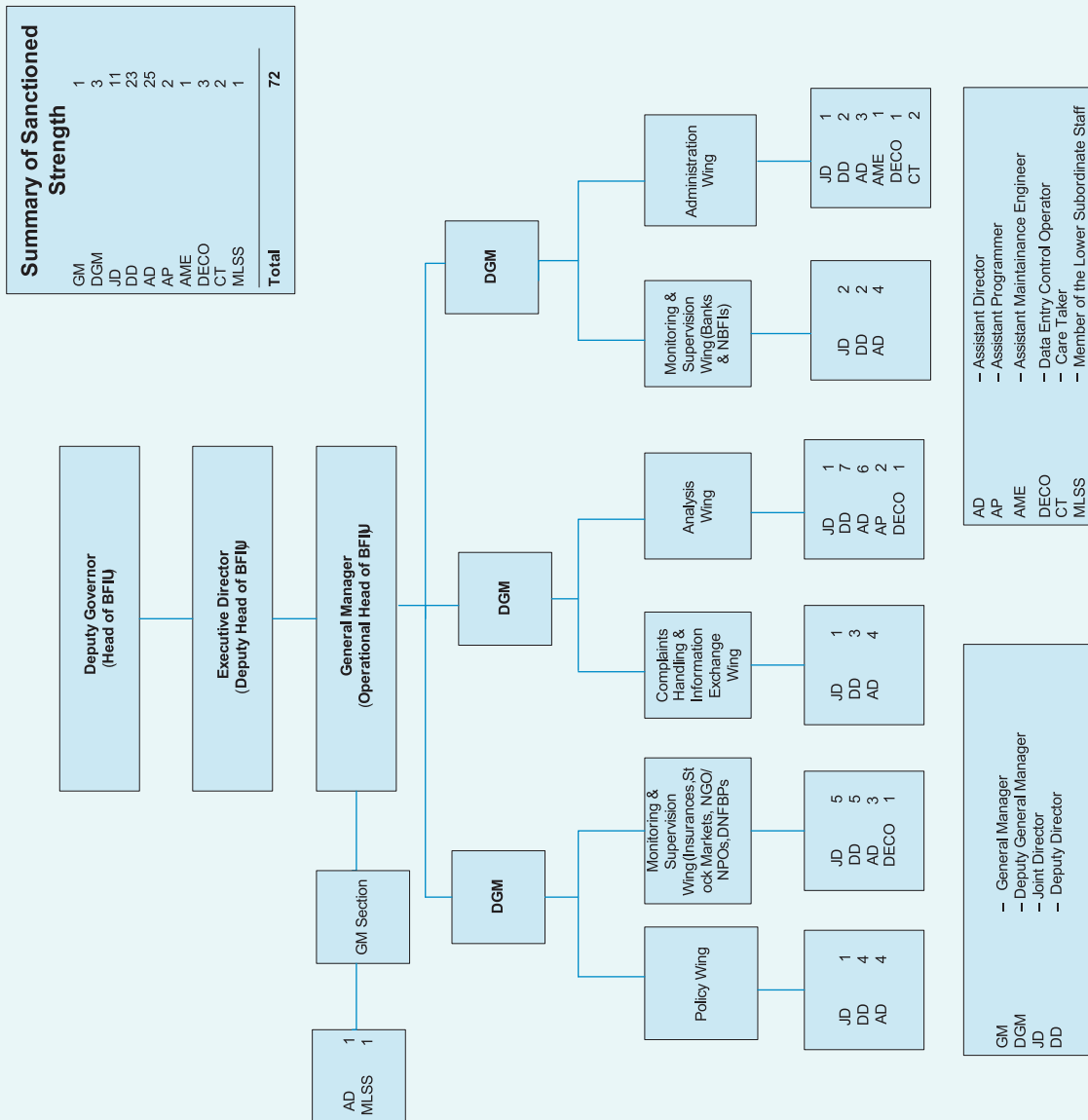
Objectives

1. To establish an effective and operational FIU;
2. To play a vital role in ensuring an effective AML/CFT regime in Bangladesh;
3. To adopt latest technologies and to develop IT infrastructure and software to ensure strong reporting environment;
4. To ensure seamless flow of information and to ensure participation of all stakeholders on AML/CFT initiatives;
5. To play an active role in the global AML & CFT initiatives and to ensure utmost cooperation at international level;
6. To identify and address the emerging threats, methods and techniques of money laundering, terrorist financing & proliferation financing of weapons of mass destructions; and
7. To create awareness regarding Money Laundering and Terrorist Financing across the country;

Functions

- Receive Suspicious Transaction/Activity Reports (STRs/SARs) from the reporting organizations and Cash Transaction Reports (CTRs) from banks and analyze the same.
- Disseminate ML/TF cases to respective investigating agency for further action.
- Maintain a database of all STRs/SARs, CTRs and related information.
- Issue necessary directions and guidance notes from time to time for reporting organizations to prevent money laundering and terrorist financing activities.
- Ensure compliance of the respective Acts and rules/regulations/directives issued by this unit through on-site and off-site supervision of the reporting organizations.
- Analyze and examine the complaints received from different sources.
- Disseminate information related to money laundering or suspicious transaction to ACC and information related to terrorist financing to CID of Bangladesh Police.
- Monitor the implementation of UNSC Resolutions including UNSCR 1267 and its successors, UNSCR 1373 and UN Security Council Resolutions related to proliferation of weapons of mass destruction and its financing
- Impart training for the officials of the reporting organizations, investigating authorities, prosecutors, regulatory agencies and other related organizations or institutions.
- Sign MoU with foreign FIUs to exchange financial intelligence on ML/TF.
- Provide and collect information to/from other FIUs under bilateral arrangements.
- Cooperate and work together with various international organizations including FATF, APG, World Bank, UNODC regarding AML/CFT issues.
- Perform secretarial job for National Coordination Committee on AML/CFT (NCC) and take necessary steps to implement the decisions taken by the NCC.
- Work as the secretariat of Inter Agency task Force for Stolen Asset Recovery (StAR).
- Perform activities related with the Central Task Force for preventing illegal Hundi activities, illicit flow of fund and money laundering and monitor the implementation of the decisions of the meeting.
- Arrange regular meeting with ACC, police and other agencies and monitor the implementation of the decisions of the meeting.
- Carry out other related functions to prevent and combat money laundering and terrorist financing respectively.
- Create public awareness.

ORGANOGRAM OF BFIU



International Co-operation Review Group (ICRG) of FATF

Bangladesh Experience

After a long laborious and persistent series of coherent attempts Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) regime of Bangladesh has achieved international standards. Bangladesh has achieved this status which conforms to the relevant United Nations conventions and protocols, UN Security Council Resolutions (UNSCR) and Financial Action Task Force (FATF) standards. On February 13, 2014, in a plenary meeting of FATF in Paris, France, it was unanimously decided that Bangladesh would be no longer under continuous monitoring of International Cooperation and Review Group (ICRG) as a jurisdiction that poses risk to the stability and integrity to the international financial system.

Bangladesh had placed under ongoing monitoring of ICRG at the plenary meeting of FATF on October 2010 along with other jurisdictions as the rating of 14 recommendations out of 16 core and key FATF recommendations were noncompliant or partially compliant in the mutual evaluation report (MER) of 2009. ICRG is a process of FATF to identify jurisdictions that poses risk for international peace, security and instability in financial sector. The identified high risk jurisdictions and suggested actions are disclosed through the FATF public statement.

Major actions completed under the ICRG process	
01	Conduct of National ML & TF Risk and Vulnerability Assessment
02	Formulation of National AML & CFT Strategy Paper 2011-2013
03	Accession to Palermo Convention
04	Enactment of MLPA, 2012 by repealing MLPA, 2009
05	Amendment of ATA, 2009 in 2012 and 2013
06	Enactment of Mutual Legal Assistance Act in Criminal Matters, 2012
07	Enactment of Money Laundering Prevention Rules, 2013
08	Enactment of Anti-terrorism Rules, 2013
09	Enactment of Mutual Legal Assistance in Criminal Matters Rules, 2013
10	Inclusion of ML and TF in the Schedule of Extradition Act, 1974 as extraditable offence
11	Formation of a National Committee to oversee the implementation of the provisions of UNSCRs
12	Issuance of a Statutory Regulatory Order (SRO) under section 2 of the United Nations (Security Council) Act, 1948 to make comprehensive implementation mechanism of the provisions of UNSCRs
13	Amendment of the SRO to include the provisions of UNSCRs in the Anti Terrorism (Amendment) Act, 2013
14	Issuance of Guidance Notes by BFIU for <ul style="list-style-type: none"> • Insurance Companies, • Security Market Intermediaries, • Non-Bank Financial Institutions, • Money Changers, • Designated Non-Financial Businesses and Professions (DNFBP's) and • Non-Profit Organization and Non-Government Organizations (NPO/NGO's)

On the above context, Bangladesh Government developed a time bound action plan to mitigate the deficiencies and gaps identified in the MER, 2009 after consulting with APG. The Honorable Finance Minister expressed the highest political commitment on behalf of the government to FATF President and submitted the time bound action plan in the FATF Plenary held in October 2010.

According to the action plan submitted to the FATF by the Honorable Finance Minister, during the last three years, Government of Bangladesh with the dynamic coordination of BFIU has made a significant progress in the country's AML & CFT framework. National Coordination Committee (NCC) headed by Honorable Finance Minister has been formed to formulate AML & CFT policies. A working committee headed by Secretary, Bank and Financial Institution Division, Ministry of Finance has also been formed to support the NCC. During the period NCC met 12 (twelve) times to provide proper directions to meet the time line of the action plan. National AML & CFT strategies for 2011-2013 were developed after assessing the National ML & TF risks and vulnerabilities.

Money Laundering Prevention Act (MLPA), 2012 was promulgated repealing MLPA, 2009 to strengthen the AML & CFT regime of Bangladesh and to meet the international standard. Anti Terrorism Act (ATA) was amended in 2012 and 2013 to make the counter terrorism and terrorist financing law compliant with the FATF recommendations. Furthermore, capital market intermediaries, non-profit organizations, non-government organizations, cooperative societies, DNFBPS were included in the Acts as reporting organization. Mutual Legal Assistance in Criminal Matters Act, 2012 was also enacted to facilitate better cooperation with other countries regarding ML & TF and related offences. Rules of the respective three Acts have been issued for the effective implementation of those Acts. ML and TF were included in the schedule of Extradition Act, 1974 as extraditable offence. Bangladesh has ratified to Palermo Convention in 2012. Necessary reforms were made in Anti Corruption Commission (ACC) and a separate wing was established to deal with the ML & TF cases and the wing was allocated with sufficient resources and logistics.

The Government of Bangladesh was strongly committed to the effective implementation of UNSCR 1267, 1373, 1540, 1718, 1737 and its successor resolutions. This was also reflected in a series of concrete actions taken by Bangladesh such as issuance of an Statutory Regulatory Order (SRO) on 29th November, 2012 under section 2 of the United Nations (Security Council) Act, 1948 and amendment of the SRO on 18 June, 2013 with a view to providing a comprehensive implementation mechanism, formation of a National Committee to oversee the implementation of the mechanism, inclusion of the provisions of UNSCRs in the Anti Terrorism (Amendment) Act, 2013 to ensure the enforceability of the provisions of the UNSCRs.

Moreover, in accordance with the action plan BFIU issued separate guidance notes for insurance companies, security market intermediaries, non-bank financial institutions, money changers, DNFBP's and NPO/NGO's. Training, workshop and seminars were arranged regularly for all reporting organizations and law enforcement agencies to raise significant awareness regarding the prevention of money laundering and combating terrorist financing.

While Bangladesh was in the ICRG process of FATF, it was placed under Global AML & CFT compliance On-going process, called the 'Gray List' through out the period. Since September, 2010 Bangladesh faces 10 (ten) Asia Pacific Regional Review Group (APRRG) face-to-face meeting.



The Bangladesh Delegation attended the face-to-face meeting with AP-RRG in Hong Kong, January, 2013

According to the decision taken in October, 2013 FATF Plenary, AP-RRG conducted an on-site visit in Bangladesh in conformity of the ICRG process. The AP-RRG team consists of officials from APG, India and Japan. The team was highly pleased to meet and talk with all the related Government and Private sector officials and they mentioned the AML and CFT implementation status of Bangladesh in a positive manner in the report presented in the AP-RRG meeting.



AP-RRG team with Honorable Minister of Finance at his office during the on-site visit



AP-RRG team in a meeting with the members of National Coordination Committee (NCC) on 24 November, 2013



AP-RRG team in a meeting with officials of Bangladesh Financial Intelligence Unit (BFIU)



The Bangladesh Delegation in FATF Plenary, February 2014

Based on the report, it was unanimously decided in the FATF Plenary (February 2014) that Bangladesh is no more a risky country for the international financial system. So, it should no longer be in the ICRG process, i.e. Bangladesh was delisted from the list of Countries that are risky towards international economic stability or unity.

Major AML & CFT Initiatives during 2012-2013

Promulgation of Anti Terrorism (Amendment) Act, 2012 & 2013

Bangladesh Government has amended the Anti Terrorism Act (ATA), 2009 to meet the deficiencies identified under international standards and promulgated the Anti Terrorism (Amendment) Act, 2012 in 20 February 2012. The act has further been amended in 12 June 2013 to include the provisions of UNSCRs considering the enforceability of the provisions of the UNSCRs. The main points of the Anti Terrorism (Amendment) Act 2012 & 2013 are as follows:

- The enforceability of the law extends to the whole of Bangladesh, and applies also to persons on ships and aircrafts registered in Bangladesh.
- It covers all the conventions of the United Nations duly ratified by the Government of Bangladesh relating to terrorism, terrorist financing and financing of proliferation of weapons of mass destruction.
- The definition of property has been elaborated which includes a large array of all possible type of assets, whether in or outside the country.
- The provision of the act extends to extra territorial application. The scope of terrorist financing has been broadened.
- The Punishment for aid and abetment of an offence, criminal conspiracy and attempting of committing an offence has been increased.
- Inclusion of a separate section in the Act to implement the requirements of UNSCRs in a more dynamic and appropriate way.
- The information produced by the police or law enforcement agency of any internet based communication used by the terrorist person or entity will be admissible as evidence to a court.

Issuance of Directives

Bangladesh Financial Intelligence Unit (BFIU) has issued 4(four) circulars and 1(One) circular letter during FY2012-2013. The circulars are related to increasing the threshold of CTR, issuance of Guidance Notes for Financial Institutions, compliance requirements on international and domestic wire transfer and compliance requirements for Capital Market Intermediaries.

Threshold of cash transaction report (CTR) has been increased to BDT 10,00,000/- and above from BDT 7,00,000/- through BFIU Circular No. 03 dated August 2, 2012. Two separate Guidance Notes on AML & CFT have been issued for non-bank financial institutions and capital market intermediaries respectively on September 16 and December 30 in 2012. Necessary directions have been provided to prevent ML & TF risk while conducting domestic and international wire transfer through BFIU Circular No. 05 dated December 17, 2012. A circular letter has been issued for the proper compliance of the instructions for freezing accounts of listed individuals or entities and other issues under the Sanction List of different UNSCR's.

Formation of National Committee on the Implementation of the Provisions of UNSCRs

In order to enforce and monitor the effective implementation of the Resolutions of the Security Council of the United Nations, the Government has formed a National Committee on the Implementation of the United Nations Security Council Resolutions on Combating Terrorism and Financing of Terrorism on 29 November 2012. The Committee is headed by the Foreign Secretary and comprises representatives from Ministry of Home Affairs; Bank and Financial Institutions Division, Ministry of Finance; Legislative and Parliamentary Affairs Division, Ministry of Law, Justice and Parliamentary Affairs and Bangladesh Bank. The committee has the power to co-opt or invite representatives from any other Government Ministries/agencies with a view to facilitate its work on specific issues. The Director General (UN), MOFA would act as the Member-Secretary of the Committee.

Terms of Reference (TOR) for the committee:

- To review/ monitor and coordinate at the national level the implementation of and compliance with the UNSCRs 1267 (and its successor Resolutions) and 1373 and the FATF Recommendations 6 and 7;
- To develop and issue rules/ policy guidelines for the implementation of and compliance with the UNSCRs 1267 (and its successor Resolutions) and 1373 and the FATF Recommendations 6 and 7;
- To develop and issue necessary SRO(s) for the implementation of and compliance with the UNSCRs 1267 (and its successor Resolutions) and 1373 and the FATF Recommendations 6 and 7;
- To hold a meeting of the committee every three months in order to review/monitor and coordinate at the national level of the implementation of and compliance with the concerned UNSCRs and FATF recommendations;
- To report on a regular basis on its activities to the NCC on AML/ CFT.

Signing of Memorandum of Understanding (MOU) with other FIU's

Money Laundering Prevention Act, 2012 empowers BFIU to enter into agreements and arrangements with foreign FIUs to receive and request information in relation to money laundering offences or suspicious transactions. BFIU has signed 4 (four) MOU with the FIUs of South Africa, Mongolia, Japan and Myanmar in FY 2012-2013.



Signing of MoU between Bangladesh and Myanmar

5th BIMSTEC Sub Group Meeting on Combating the Financing of Terrorism (CFT)

BIMSTEC Sub group on Combating the Financing of Terrorism (CFT) is a forum for member countries to share their experience and knowledge on CFT. The member countries of this forum are Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal.



Participants of the 5th meeting of BIMSTEC Sub-Group on CFT with Governor of Bangladesh Bank

The Fifth Meeting of the BIMSTEC Sub-Group on Combating the Financing of Terrorism (SG-CFT) under the BIMSTEC Joint Working Group on Counter-Terrorism and Transnational Crime (JWG-CTTC) was held during 06-08 March, 2013 at Ruposhi Bangla Hotel in Dhaka, Bangladesh. Delegates from the member countries attended the Meeting. The Meeting was presided over by Mr. Abu Hena Mohd. Razee Hassan, Deputy Governor and Head of BFIU. The Governor of Bangladesh Bank, Dr. Atiur Rahman was the Chief Guest at the opening session. It was a great opportunity for the participant countries to enhance cooperation and coordination in the area of CFT as well as to facilitate devising strategies for effective implementation of the international standards related to such issues. "Terrorist Financing through Wire Transfer" was the theme of the meeting. The meeting was mainly focused on the issues on Exchange of views on current Activities, case studies on Terrorist Financing (TF) through Wire Transfer and consideration of the conceptual framework for the creation of BIMSTEC List of designated persons.

Delegates from Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand expressed their sincere appreciation to the Chair for conducting the Meeting in a highly efficient manner. The delegates also expressed their gratitude to Bangladesh, in particular, the BFIU, for its generous hospitality and excellent arrangements.

Chief Anti Money Laundering Compliance Officer (CAMLCO) Conference, 2013



Participants with the Governor of Bangladesh Bank in the CAMLCO Conference of Banks in 2013 at Cox's Bazar

Every year BFIU arranges conference with the Chief Anti Money Laundering Compliance Officers (CAMLCO) of different reporting organizations. These conferences provide an excellent opportunity for the reporting organizations to provide feedback and exchange views and ideas. In the year 2013, BFIU arranged CAMLCO conference for the banks. The program was held during 23-24 August, 2013 at Ocean Paradise Hotel in Cox'sbazar, Bangladesh. CAMLCOs and Deputy CAMLCOs of every bank were present on the occasion.

At the conference, BFIU officials mentioned the role and responsibilities of the reporting agencies in the context of relevant laws and regulations. Besides, the non-compliance issues of the reporting agencies were also discussed. The officials from banks declared their strong commitment to the strict adherence and compliance of the rules and regulations and instructions given by BFIU.

Advancement to the Latest technology: goAML Software

Bangladesh Financial Intelligence Unit (BFIU) is mainly responsible for analyzing, reviewing and preserving information related to Suspicious Transaction and Cash Transaction received from the reporting organizations and disseminating information/intelligence thereon to relevant law enforcement agencies and the Financial Intelligence Unit of foreign countries spontaneously or upon request respectively. To perform its responsibilities effectively BFIU receives Cash Transaction Report (CTR) and Suspicious Transaction Report (STR) from different reporting organization as per MLPA, 2012 and ATA, 2009. For managing CTR and STR effectively BFIU was looking for an analytical tool that will facilitate online reporting of CTR and STR, provide output with high standard as well as reduce time and work load. With a view to materializing this BFIU signed an agreement with UNODC on 04 July 2012 for the deployment of goAML software in Bangladesh. Finally the goAML software had been procured from the UNODC on 27 August 2012. The implementation of goAML software had been conducted in 2 steps. To ensure the Pre-Production environment the goAML software was installed and only a number of banks under pilot project had been submitting their CTRs and STRs on test basis upto June, 2013. Although at the beginning stage BFIU started receiving CTRs and STRs from banks through goAML software, eventually other reporting organizations will have to submit CTRs and STRs through goAML software.

goAML software might also be used for other purposes. As for example, BFIU needs to communicate regularly with investigating agencies like Anti-Corruption Commission (ACC) and Criminal Investigation Department (CID), Bangladesh Police under MLPA and ATA, these organizations shall be able to communicate with BFIU through Message Box of goAML. Reporting organizations, stakeholders and supervisory body shall be able to exchange information using this software.

One of the major features of the software is that reporting part is totally isolated from the analysis part. There are two different databases in two different machines with active firewall. Besides, 'User Roles' and 'Giving of Permissions' can be applied in different levels like general users, analysts, senior analysts, IT users etc. Only the authorized users such as users from Banks, FIs, Stakeholders, individuals can have access to the system through a secured channel. Moreover, Reporting data is transferred from web Server to Application server within a single minute.

Initiatives taken for the newly included Reporting Organizations

One of the major priorities of 2012-2013 was to take required measures for newly included Reporting organizations. As per Money Laundering Prevention Act, 2012 and Anti-terrorism Act, 2009 the coverage of reporting organizations have been expanded to stock dealer and stock broker, portfolio manager and merchant banker, security custodian and asset manager, cooperative societies, Non Government Organization/Non Profit Organization (NGO/NPO), Designated Non-Financial Business and Professions (DNFBP) i.e. real estate developer, dealer in precious metals or stones, trust and company service provider, lawyer, notary, other legal professionals and accountants. BFIU took various necessary measures for these newly included reporting organizations.

BFIU issued a comprehensive circular and guidance notes for the security market intermediaries on 30 December, 2012. The Guidance Notes entails an effective preventive measures against ML/TF related issues that lead to establish ML/TF risks free business.

A focus group consisting of 11 members was formed to formulate a comprehensive guideline on Prevention of Money Laundering and Terrorist Financing for DNFBP's Sector. A joint secretary from Ministry of Commerce, Government of Bangladesh was the chairman and a Deputy Director of BFIU was the member secretary of the committee. The other members of the committee were from the Government and DNFBP's sector. The committee met with different stakeholders including Anti-Corruption Commission (ACC), CID, Bangladesh Police, Bangladesh BAR Council, Real Estate and Housing Association of Bangladesh (REHAB), Institute of Chartered Accountants of Bangladesh (ICAB) and Bangladesh Jewellers Samity. The committee worked rigorously to formulate a suitable guideline on Prevention of Money Laundering and Terrorist Financing for DNFBP's Sector.

BFIU took initiatives to make a comprehensive guideline on Prevention of Money Laundering and Terrorist Financing for NGO/NPO Sector. In this regard BFIU met with International NGO Network. BFIU arranged workshop for different regulators of the NGO/NPO sector. Besides, a database for the Contact Points from NGO/NPOs had been prepared with a view to communicating with them and getting required feedback from them when necessary.

Major AML & CFT Accomplishments During 2013-2014

Achieving EGMONT Group Membership

BFIU with its persisting effort and endeavor achieved the Egmont Group membership on 03 July, 2013. The decision of giving the membership of the prestigious group to BFIU was taken at Egmont Group's 21st annual meeting held at South Africa's Sun City. Bangladesh has become the 132nd member of this group .

If we look back the history of establishing the Egmont group we found that a group of Financial Intelligence Units (FIUs) met at the Egmont Arenberg Palace in Brussels, Belgium in 1995, recognizing the importance of international cooperation in the fight against money laundering and decided to establish an informal network of FIUs for the stimulation of international co-operation which is known as the Egmont Group of Financial Intelligence Units Under the umbrella of Egmont Group FIUs meet regularly to find ways to promote the development of FIUs and to cooperate, especially in the areas of information exchange, training and the sharing of expertise. The Egmont Group has evolved over the years and is currently comprised of 146 member FIUs.



BFIU achieved EGMONT Group membership on 03 July, 2013

In the process of getting Egmont Group Membership, BFIU applied in 2008. Malaysia and Thailand was the sponsor and co-sponsor respectively for the membership for Egmont of BFIU. BFIU took this period of time to achieve the membership because of some legal and infrastructural bottlenecks. The government was very much proactive for undertaking necessary reforms and amendment of law to upgrade the country's anti money laundering and combating financing of terrorism which helped achieving the membership. Besides the two sponsors guidance and support also facilitated BFIU to become an Egmont Group member. The on-site visit by the Egmont sponsor and co-sponsor countries was conducted on September, 2012 and the on-site visit report had been accepted positively by the working committee of Egmont Group.

Bangladesh got one step forward by securing the membership of Egmont Group as it would help to prevent money-laundering and terrorist financing in a global context. From now on, the BFIU will be able to exchange information regarding money-laundering, terrorist financing and other related offences among the 146 member countries of the group through Egmont Secure Web. The scope of exchanging information through Egmont Secure Web will play a significant role in preventing money-laundering, terrorist financing and buliding relationship with the FIU of other countries.

Money Laundering Prevention Rules, 2013

The Government of Bangladesh has promulgated Money Laundering Prevention Rules, 2013 to promote specific operational guidance of the respective act. The rules clearly depict the role and responsibilities of the related stakeholders including BFIU, ACC and CID of Bangladesh Police. The main points of the rules are as follows:

- Money laundering cases shall be investigated according to predicate offence, i.e. the law enforcement authority that is authorized for investigation the specific predicate offence will also investigate the related money laundering case.
- BFIU has been defined as the national central agency and bestowed with the powers to perform its duties without any undue internal or external or government or political influence or interference.
- Regulatory Authority shall develop and implement market entry control to prevent criminals or their associate for holding, or being the beneficial owner of a significant or controlling interest, or holding a management function in reporting organizations.
- The Self Regulatory Body (SRB) and Association shall have adequate knowledge about the risk, vulnerabilities and consequence of money laundering and terrorist financing in the regulated section, individual regulated entity or products or services of regulated entity by conducting risk assessment.
- Financial supervisors may exchange information domestically available to them, including information held by financial institutions, in a manner proportionate to their respective needs with foreign counterparts.
- ACC may exchange domestically available information with foreign counterparts for intelligence or investigative purposes relating to money laundering, associated predicate offences, including the identification and tracking of the proceeds and instrumentalities of crime under agreement.
- CID of Bangladesh Police may exchange domestically available information with foreign counterpart for intelligence or investigation purposes related to terrorist financing.

Anti-Terrorism Rules, 2013

The Government of Bangladesh has promulgated Anti-Terrorism Rules, 2013 to make the role and responsibilities of related agencies clear specially to provide specific guidance on the implementation procedure of the provisions of the UNSCRs. The main points of the rules are as follows:

- Proscription of entity and enlistment of person in domestic level and review of proscription or enlistment order will be done by a committee, to be known as 'Proscription and Enlistment Committee'.
- The Proscription and Enlistment Committee will take all reasonable efforts as soon as possible, informing designated individual and entities, as to their proscription and enlistment.
- The person or entity, aggrieved by the proscription or enlistment order, may apply, in writing, for review of the order with full details of rationale and supporting documents before the Proscription and Enlistment Committee.
- Any individual or entity, if they have evidence to prove that the freezing of funds, financial assets or economic resources or related services, owned or held by them has been inadvertently frozen, they will move an application giving the requisite evidence in writing to the reporting agency or to the Contact Point of the law enforcing agency praying for unfreezing of such funds, financial assets or economic resources or related services.

- Access may be allowed to the frozen funds, financial assets or economic resources for necessary extraordinary expenses, provided that such determination has been notified by the National Committee to the UNSCR Committee and has been approved by the UNSCR Committee.
- If any property is confiscated under the Act, the Government may, subject to the permission of the court, sell or in any other way dispose of such property other than the property which is required to be destroyed under any other law, by means of an open auction or by any other commercially profitable and lawful means.
- The investigation has to be completed preferably within the next 15 (fifteen) days from the date of arrest of the accused person but no later than 30 (thirty) days from the date of lodging First Information Report (FIR).
- In case of not arresting of the accused person or remains absconding then the investigation has to be completed within the next 30 (thirty) days from the date of receiving information as to the commission of the offence or from the date of receiving the order of investigation from the officer in charge of the police station or by an officer empowered by him or by the Magistrate or by the Tribunal, as the case may be.

Mutual Legal Assistance in Criminal Matters Rules, 2013

The Government of Bangladesh has promulgated Mutual Legal Assistance in Criminal Matters Rules, 2013 to facilitate international cooperation in a more specific way. The Rules mainly emphasizes on the process of widest possible range of providing mutual legal assistance in relation to money laundering and other associated offences. The main points of the rules are as follows:

- The central authority may request the appropriate authority of a foreign country to arrange for-
 - (a) Evidence to be taken in the foreign country, and
 - (b) The evidence to be sent to the central authority;
 if the central authority is satisfied that there are reasonable grounds for believing that such evidence would be relevant to any criminal proceedings in Bangladesh.
- In execution of searching, freezing or seizing order under this Act, property may be searched, seized, freezed or attached by the competent authority in accordance with the respective law under which the offence is alleged to have been committed.
- Where there are reasonable grounds for believing that some of or all of the property concerned is located in a foreign country, the central authority of Bangladesh may request the appropriate authority of that foreign country to make arrangement for the enforcement of a confiscation order made by Bangladesh in a judicial process.
- The appropriate authority of a foreign country may request the central authority of Bangladesh to assist in effecting service of any process where the appropriate authority of that foreign country is satisfied that, for the purpose of, or in connection with, any criminal matter in that foreign country, it is necessary or desirable to serve that process on a person or authority in Bangladesh.

Launching Ceremony of Online Reporting of CTR and STR

The governor of Bangladesh Bank Dr Atiur Rahman formally inaugurated the online reporting of goAML software on 3rd March, 2014. The goAML software developed by the United Nations Office on Drugs and Crime (UNODC), is an integrated software having intelligent analysis system developed for the financial intelligence units worldwide. The deputy governor and head of BFIU Mr. Abu Hena Mohd. Razee Hassan along with the other deputy governors of Bangladesh Bank Md. Abul Quasem, Shitangshu Kumar Sur Chowdhury and Nazneen Sultana were present in the inaugural ceremony. Besides, Md. Moniruzzaman, Director, Anti-Corruption Commission, Md. Ashraful Islam, Special Super of Police, CID, Bangladesh Police, Md. Abdul Mannan, Managing director of Islami Bank Bangladesh Ltd, and Dr. Md Haider Ali Miah, Managing director of EXIM Bank Ltd were also participated in the occasion.



Governor of Bangladesh Bank has inaugurated the online reporting through goAML software

By the inauguration of goAML software, the Reporting organizations would be able to submit their cash transaction report (CTR) and suspicious transaction report (STR) online by using the link provided to them. Currently, 18 countries are using the goAML software to analyze CTR and STR.

National Strategy Paper on AML/CFT 2014-2016

The first National Strategy Paper of Bangladesh on Preventing Money Laundering and Combating Financing of Terrorism 2011-2013 was approved by the NCC on April 2011. The Strategy Paper identified 12 areas in which Bangladesh Government had to give effort to revise, enhance, or renew attempts to enforce existing laws and regulations. There were also areas identified in which the authority can more effectively utilize information-sharing opportunities between law enforcement and the financial regulators and supervisors. The strategy was accompanied by a time bound action plan. By this time, the major areas have been improved and the most of the targets have been accomplished. While preparing the strategy for 2011-2013, the main focus was to upgrade the country's AML/CFT regime. As significant progress has been made in the legal area and the country's AML/CFT regime has been upgraded to international standard; now it is needed to focus to formulate strategy for a sustainable AML/CFT regime.

According to the decision taken in the 10th Meeting of the National Co-ordination Committee on AML/CFT, a committee has been formed to prepare the National Strategy Paper on AML/CFT 2014-2016. The committee is headed by the Deputy Governor of Bangladesh Bank and Head of BFIU. There are representatives from Bank and Financial Institutions Division, Ministry of Finance, Ministry of Home Affairs, Legislative and Parliamentary Affairs Division, Ministry of Law, Justice & Parliamentary Affairs, Ministry of Foreign Affairs, National Board of Revenue and Anti-Corruption Commission in the committee. The General Manager of BFIU is the member secretary of the committee. The committee has already evaluated the strategies published in the strategy paper 2011-2013 and the new recommendations made by FATF in 2012 and also identified the GAP to prepare the new Strategy Paper.

National ML & TF Risk and Vulnerability Assessment

According to the recommendation 1 of FATF, every country needs to identify, assess and understand the money laundering and terrorist financing risks of the jurisdictions and needs to take action against those identified risks. In the above context, Bangladesh has already initiated the task of risk assessment of the country. As per the decision taken in a meeting of Working Committee; ACC, CID and BFIU are jointly conducting the risk assessment of the country.

To conduct the risk assessment, basic Methodology has been adopted from the FATF guidelines, APG suggestions and UN, World Bank and IMF's risk assessment templates. These guidelines and templates are based on general context and applicable for the global context, so it is not very easy to sum up a specific or regional risk assessment by following these guidelines and templates only. That is why some different techniques are used to assess the Money Laundering and Terrorist financing risks for Bangladesh.

3 (three) workshops have been arranged in Teknaf, Cox'sBazar and Benapole on March 8 and 23 and May 8 in 2014 respectively to address the vulnerabilities and threats in those areas related to Money Laundering and Terrorist financing. It is likely to hope that the risk assessment will be completed by the end of 2014.

Assessment of ML and TF Risk in NGO/NPO Sector

According to the FATF recommendation-8, Countries should assess NGO/NPO sector by reviewing information on the sector's potential vulnerabilities to terrorist activities. Considering the vulnerability of this sector, according to FATF recommendation BFIU issued a circular and a guideline for the NGO/NPO sector for the proper compliance of the provisions of the respective acts and the instructions issued by BFIU.

BFIU is continuously arranging training and workshops for NGO/NPO sector stakeholders for building awareness so that they can protect themselves from being abused by the money launderer and terrorist financier. There has not been any assessment conducted yet in the NGO/NPO sector in Bangladesh to evaluate the ML/TF risk in this sector. To comply with the recommendation of FATF and to assess whether there is any risk associated with ML/Tf in this sector NGO Affairs Bureau, Micro Credit Regulatory Authority (MRA), Department of Social Service (DSS) and BFIU have jointly taken initiatives to conduct an assessment on NGO/NPO sector.

Effective regulation is an efficient tool to combat TF in NGO/NPO sector. The sector is regulated by different government agencies and hence an assessment for evaluation of the regulatory framework, effectiveness of the framework, deficiencies has already been identified. Moreover, a risk grading system has been developed for the NGO/NPO sector and each types of NGO/NPO will be assessed based on the risk grading. In the process Law enforcement and intelligence officials, Auditors of NGOs, officials of NGOs, Banks and other related organizations will also be interviewed. Besides, previous cases of NGO/NPO's involvement with money laundering/terrorist financing (if there is any) will be analyzed to identify the trend and risk. A standard check list has already been developed and data would be collected from regulators, law enforcement, intelligence agencies and BFIU. The whole assignment is expected to be completed by December, 2014.

Issuance of Directives

Bangladesh Financial Intelligence Unit (BFIU) has issued 3 (three) circulars and 1 (One) circular letter during FY2013-2014. The circulars are related to the amendment of Anti-Terrorism Act, 2009; issuance of Guidance Notes on Prevention of Money laundering & Combating Financing of Terrorism for DNFBPs sector and for NPO/NGO Sector. The circular letter has been issued for the proper compliance of the instructions for Freezing Accounts of listed Individuals or Institutions and Other Issues under the Sanction List of Different Resolutions of United Nations Security Council.

Capacity Building of DNFBP sector

The Designated Non- Financial Businesses and Professions (DNFBP) sector in Bangladesh plays an important role in the economy of the country. Besides, there is an inherent risk associated with this sector that it might be used as a conduit for laundering money and financing of terrorism. Considering the risk and vulnerability associated with this sector, it has been included as the reporting organizations under the respective acts. BFIU have been emphasizing on building the ML & TF risk awareness in this sector since FY 2012-2013 which has been vitalized further in FY 2013-2014. BFIU regularly meet with the relevant stakeholders of the sector and acclimatize them to AML/CFT system i.e. to build up a secured financial system in the country.

BFIU issued a Guidelines on Prevention of Money laundering & Combating Financing of Terrorism for DNFBPs and circulate it through national Daily newspapers. Besides, different training and workshops throughout the year were held for this sector.

During 17-18 December, 2013 BFIU with the collaboration of Embassy of the United States of America, Dhaka organizes a 2 day long workshop 'DNFBP-Implementing a Sustainable Framework for Regulation' in which officials and representatives from ACC, CID, Private Commercial Banks, REHAB, ICAB, BAR Council, Bangladesh Jewellers Samity participated. The Bangladesh Bank Governor Dr. Atiur Rahman and the US Ambassador in Dhaka Mr. Dan W. Mozena were present on the occasion. Both of them emphasized on the domestic co-operation of the related regulators and Self Regulatory Body's (SRB) and associations to build a corruption free country.



Participants in the workshop on 'DNFBP-Implementing a Sustainable Framework for Regulation' with the Governor of Bangladesh Bank and Ambassador of USA in Bangladesh

Institute of Chartered Accountants of Bangladesh (ICAB) arranged a workshop on 7th April, 2014 on Money Laundering Prevention Act, 2012 in which Deputy Governor of BB and Head of BFIU Mr. Abu Hena Mohd. Razee Hassan was the Chief Guest. 2 officials from BFIU conducted the session as resource person.

World Bank and BFIU jointly arranged a workshop on 25-29 May, 2014 in which representatives from REHAB, ICAB, BAR Council, Bangladesh Jewellers Samity and officials from BFIU participated.

CAMLCO Conference 2014

In consistent with the previous years, in the year 2014, BFIU arranged CAMLCO conference for the banks, financial Institutions and insurance companies. The program was held during 8-13 March, 2014 at Ocean Paradise Hotel in Cox'sbazar, Bangladesh. CAMLCOs and Deputy CAMLCOs of each bank, financial Institutions and insurance companies were present in the respective programs designed for the particular organizations.



Dr. M. Aslam Alam, Secretary, Bank and Financial Institutions Division, Ministry of Finance and other Guests in CAMLCO Conference for Insurance Companies, 2014

During 6 days program the first 03 days were allocated for banks. Bangladesh Bank Governor Dr. Atiur Rahman was present as the Chief Guest on the occasion and urged the banks to ensure the strict compliance of the rules and regulations and instructions given by BFIU. The Deputy Governor & Head of BFIU Mr. Abu Hena Mohd. Razee Hassan was present as the Special Guest in the conference. Among others Mr. David Mackey of AUSTRAC, Jun CLARAVALL, Director and Asia Pacific Regional Head of Economic Sanctions Compliance of Citigroup and Ms. Karyn Kenny, Legal Advisor of US Department of Justice (USDoJ) were present in the conference.

The chief guest of the CAMLCO conference arranged for the FIs was Mr. Abu Hena Mohd. Razee Hassan, Deputy Governor & Head of BFIU. The Executive Director & Deputy Head of BFIU Mr. M. Mahfuzur Rahman was present as the Special Guest in the conference.



A Group of participants in CAMLCO conference 2014 at Cox's Bazar with the Deputy Governor and Head of BFIU

The chief guest of the CAMLCO conference of the Insurance Companies was Dr. M. Aslam Alam, Secretary, Bank and Financial Institutions Division, Ministry of Finance. The Deputy Governor & Head of BFIU Mr. Abu Hena Mohd. Razee Hassan and Chairman of IDRA Mr. Md. Kuddus Khan were present as the Special Guest in the conference.

At the conference, following sessions were conducted by officials from BFIU and reporting agencies:

Banks, 8-10 March, 2014	
Session-1	Risk Based Approach: Implementation challenges for banks
Session-2	ML/TF risk associated with Mobile Banking in Bangladesh
Session-3	Mutual Evaluation: Relevance with banks
Session-4	Implementation of targeted financial sanction on TF & PF
Session-5	Combating Terrorism and Terrorist Financing in Bangladesh
Session-6	Agent Banking: AML/CFT Compliance
Financial Institutions, 10-11 March, 2014	
Session-1	Preparation of Mutual Evaluation and Relevance of Financial Institutions
Session-2	Standard Operating Procedure for Financial Institutions regarding AML/CFT
Session-3	Introduction of Risk Based Approach and Implementation of UNSCR
Session-4	ML/TF risk analysis of FI's Products & Mitigation Procedure
Session-5	Introduction to goAML reporting/analytical software and reporting procedure
Insurance Companies, 11-12 March, 2014	
Session-1	Preparation of Mutual Evaluation and Relevance of Insurance Companies
Session-2	Role of IDRA in monitoring And Supervision Regarding AML/CFT
Session-3	Introduction of risk Based Approach and Implementation of UNSCR
Session-4	Challenges in Implementing AML /CFT Measures in Agent Level of Insurance Companies
Session-5	Introduction to goAML reporting and analytical software and reporting procedure
Session-6	Role of Underwriters in mitigating ML/ TF Risk

At last the delegates from reporting organizations expressed their sincere appreciation to the Chair for conducting the Conference in a highly efficient manner. The officials also expressed their gratitude to the BFIU, for its generous hospitality and excellent arrangements.

Intelligence Management

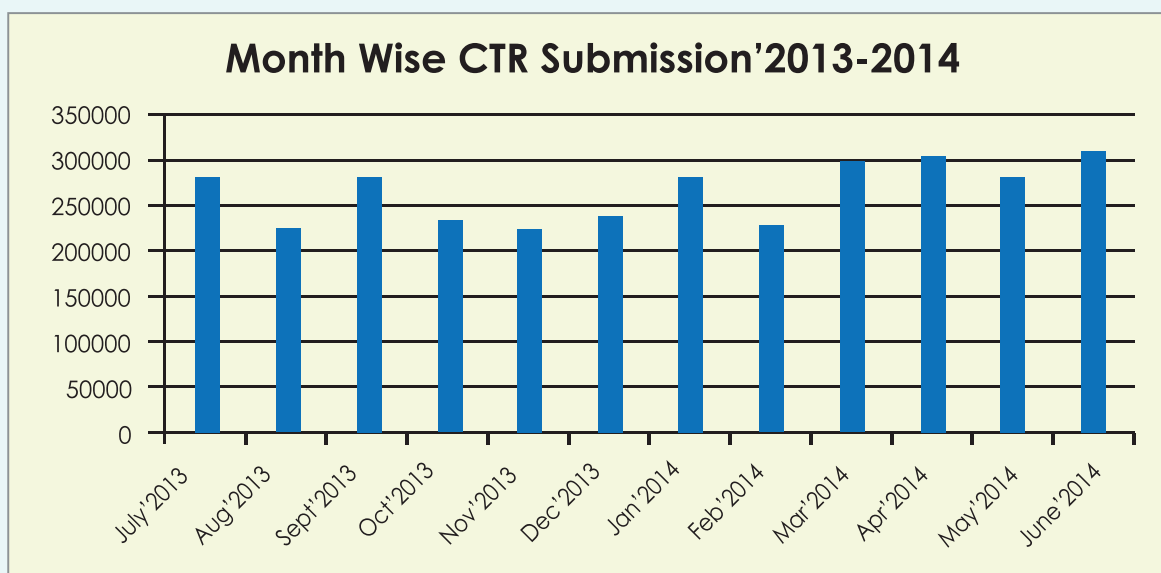
Sources of Intelligence

BFIU receives information/data from a number of sources including reports submitted by reporting organizations, complaints made by individuals or entities, news published/broadcasted in print or electronic media, information provided by other regulatory authorities, intelligence shared by other intelligence agencies and information provided by foreign FIUs and other foreign counter parts.

Reports Submitted by Reporting Organizations

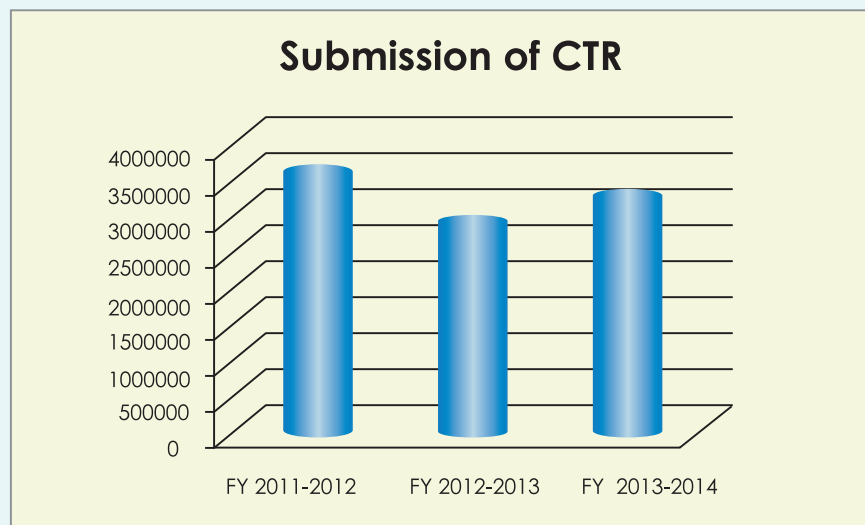
(a) Cash Transaction Report

Under the provisions of MLPA 2012, BFIU is authorized to analyze the Cash Transaction Reports (CTRs) from the reporting organizations. To carry out the provisions of the act, BFIU issued circulars for banks to submit CTR for cash deposits or cash withdrawals (including online transactions) of BDT 10,00,000/- and above in any account in a day. The CTR has to be submitted to BFIU on monthly basis i.e. within 21 days of the following month. The information contained in the CTR is preserved in the database and used to support ongoing analysis of STR/SAR, complaints and for other relevant purposes.



Total number of CTR submitted by the banks in 2013-2014 is 32,01,929, a moderate increase compared to FY 2012-2013. The comparison of submitting CTR in the last 3 financial years is given below:

Financial Year	No. of CTR	Change (number)	Change (Percentage)
FY 2011-2012	35,46,991	-	-
FY 2012-2013	28,45,479	-7,01,512	-19.78%
FY 2013-2014	32,01,929	3,56,450	12.52%



(b) Suspicious Transaction Report (STR)

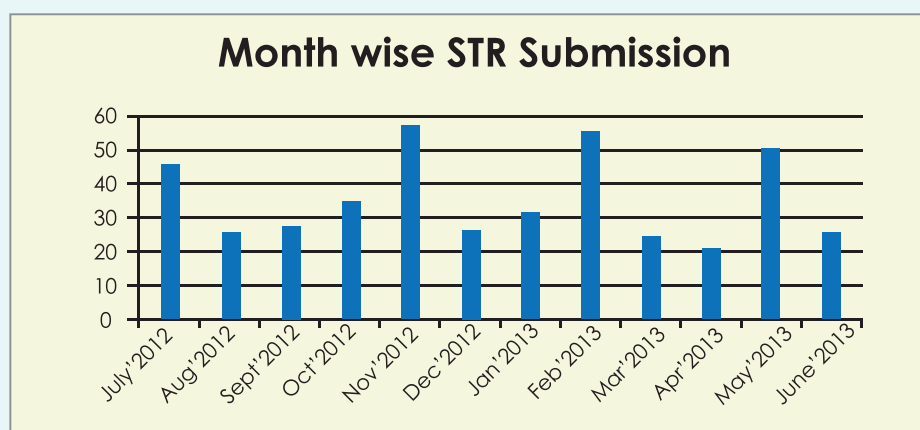
Under the provisions of MLPA 2012 and ATA 2009, reporting organizations are obliged to submit STRs/SARs to BFIU. According to the MLPA 2012, "suspicious or unusual transaction" means a transaction-

- (i) which deviates from usual transaction
- (ii) of which there is ground to suspect that
 - (a) the property is the proceeds of an offence
 - (b) it is financing to any terrorist activity, a terrorist group or an individual terrorist
- (iii) which is, for the purpose of this act, any other transaction or attempt of transaction delineated in the instruction issued by Bangladesh Bank from time to time;

A reasonable number of STR/SAR is one of the indicators of the existence of a strong AML/CFT regime. Suspicious transaction/activity reporting system is also an effort to protect the reporting organizations from being abused by the money launders and terrorist financiers and it also ensures the soundness of AML/CFT program of that organization.

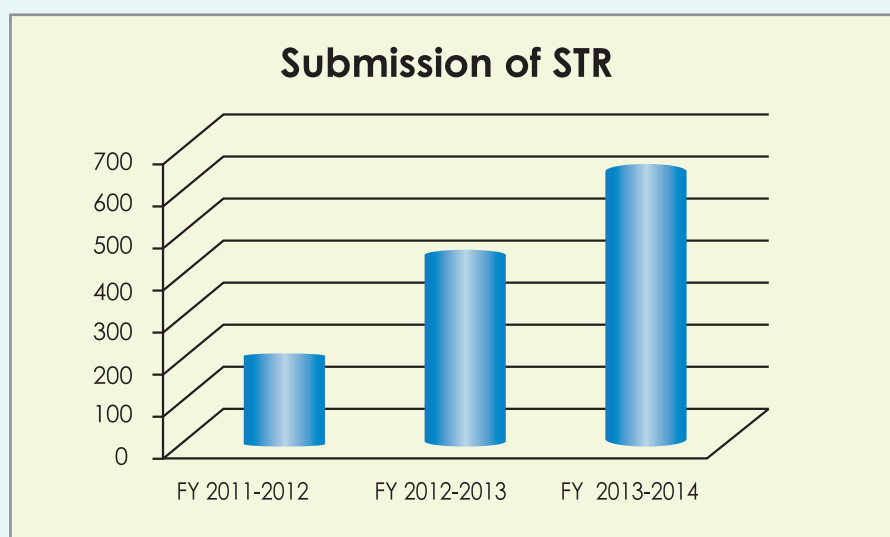
Though banks are the prime reporting organizations of STR, other reporting organizations, like insurance company, financial institutions, capital market intermediaries, NGOs etc also submit STRs.

Month wise STR submitted by the reporting agencies during FY 2013-2014 is graphically shown below:



Total number of STR submitted by the reporting agencies in FY 2013-2014 is 619, a substantial increase compared to 2012-2013. The comparison of submitting STR in the last 3 financial years is given below:

Financial Year	No. of STR	Change (number)	Change (Percentage)
FY 2011-2012	175	-	-
FY 2012-2013	420	245	140.00%
FY 2013-2014	619	199	47.38%



Complaints and Allegations

Besides receiving of CTR and STR from reporting organizations, BFIU also receives allegations/complaints relating to money laundering or terrorist financing offences from individuals and various organizations. BFIU examines those complaints and if deemed necessary, it collects further information in connection with those complaints from the related reporting organizations. Then BFIU officials analyze the collected information and try to find out evidence of the respective complain. if any evidence of ML & TF activity found instantly, BFIU disclose the case to the ACC or Bangladesh Police or any other government authority, depending on the type of offence for further necessary action. Since its inception, BFIU has investigated a number of complaints and took necessary action against those.

News from Print & Electronic Media

In addition, BFIU also works on the news published or broadcasted in the print or electronic media. Whenever BFIU notices any related news to money laundering or terrorist financing, it immediately takes necessary steps to find out the evidence against those allegations; and if it finds that there is an element of ML/TF activity, BFIU discloses those to respective government authorities and law enforcement agencies. Meanwhile BFIU initiated a number of important cases based on various allegations published/ broadcasted in the print/electronic media.

Online Connectivity

BFIU is now connected with databases of Credit Information Bureau (CIB), Payment System Department and Foreign Exchange Operation Department of Bangladesh Bank. In the way of analysing STRs/SARs/Complaints and preparing intelligence reports BFIU can use data from these databases. BFIU has access to the credit information of CIB database; has access to the cleared cheque information and Electronic Fund Transfer (EFT) information of Bangladesh Automated Clearing House (BACH) through APARTA software and also to the information regarding export-import, inward-outward remittance, dealing room operation and in-land back-to-back LC through Foreign Exchange Transaction Monitoring Dash Board.

Requests for Information from Various Government Organizations

During the FY 2013-2014, BFIU received a number of requests from ACC, CID, Bangladesh Police and other Government organizations for information. Subsequently, BFIU sent the required information to the respective agencies.

Dissemination of Information to Different Agencies

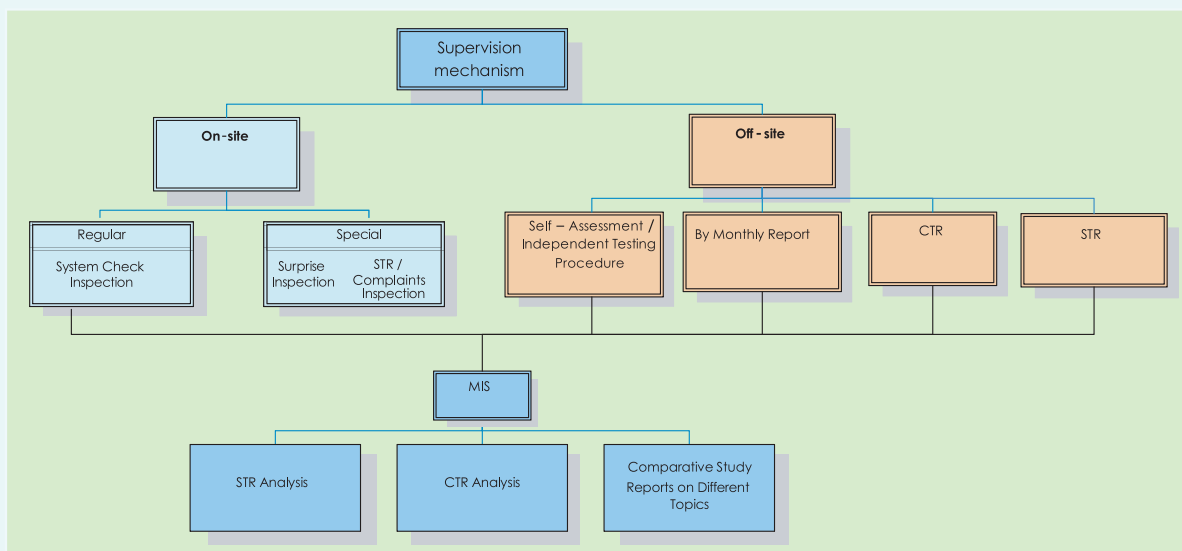
As per section, 23(2) of MLPA, 2012, if any investigating agency requests for information related to money laundering or suspicious transaction, Bangladesh Bank provides information, if not obliged otherwise by the existing laws or any other clauses. As per section, 15(2) of ATA, 2009, Bangladesh Bank provides information if it is suspected that any transaction is related to financing of terrorism as well as Bangladesh Bank shall extend cooperation to the law enforcing agency to investigate such cases. BFIU has been designated the authority to perform the said responsibilities under those Acts. Besides, BFIU is authorized to analyze the STRs and CTRs received from different reporting organization. After analyzing the STRs and CTRs, if it is assumed that there is any element of money laundering/terrorist financing or related predicate offence and it is necessary for further investigation, BFIU proactively provides information of those cases usually to ACC or CID of Bangladesh Police. The predicate offence wise break-up of the cases (in FY 2013-2014) are given below:

Predicate Offence	Number of Disposal
Fraud	11
Corruption	15
Currency Smuggling	5
Bribery	2
Financing in Terrorism	3
Murder	4
Over Invoicing	5
Trade in Narcotics & Drugs	2
Illegal Asset Accumulation	2
Forgery	4
Kidnapping	9
Extortion	1
Others	8
Total	71

Supervision & Monitoring

Supervision Mechanism

Bangladesh Bank is empowered under section 23(1)(e) of MLPA, 2012 and section 15(1)(e) of ATA, 2009 to supervise the activities of reporting organizations. As a part of its surveillance program BFIU carries out the on-site and off-site supervision of the AML/CFT activities of the reporting organizations.



Onsite Supervision System

Basically two types of onsite supervisions are carried out by BFIU, namely i) System Check Inspection and ii) Special Inspection.

System Check Inspection for Banks

AML/CFT System check inspections are conducted on half yearly basis in the scheduled banks to oversee and ensure the compliance of the provisions under MLPA, 2012 and ATA, 2009 and the instructions contained in the circulars issued by BFIU. During the inspection, the AML/CFT risk management procedures of the banks are also been examined. In this regard, a check list has been formulated and it is being updated from time to time.

Under core risk inspection program consolidated AML/CFT Rating of a bank is calculated on the basis of their points obtained in the system check inspection by the bank's branches and its head office.

Table- No. of Head Offices and Branches Inspected of Banks

Sl no.	Financial Year	Head Offices	Branches
01	2011-2012	07	39
02	2012-2013	26	52
03	2013-2014	14	67
	Total	47	158

System Check Inspection for Financial Institutions

BFIU started conducting AML/CFT system check inspection in the financial institutions (FIs) to supervise and ensure the compliance of the provisions under MLPA, 2012 and ATA-2009 and instruction contained in the circular issued by BFIU.

Table- No. of Head Offices and Branches Inspected of FI's

Financial Year	Head Offices	Branches
2012-2013	10	3
2013-2014	24	9
Total	34	12

Table- Comparative Rating Status of FI's

Financial Year	Head Offices				
	Strong	Satisfactory	Fair	Marginal	Unsatisfactory
2012-2013			3	7	
2013-2014			6	14	4
Branches					
	Strong	Satisfactory	Fair	Marginal	Unsatisfactory
2012-2013			1	2	
2013-2014			1	4	4

System Check Inspection for Insurance Companies

BFIU started conducting system check inspection in the insurance companies since FY2012-2013. According to MLPA, 2012 and ATA-2009, insurance companies are subject to the compliance of the circulars issued by BFIU.

Table- No. of Head Offices and Branches Inspected of Insurance Companies

Financial Year	Head Offices		Branches	
	Life Insurance	General Insurance	Life Insurance	General Insurance
2012-2013	9	17	-	-
2013-2014	12	12	10	-
Total	21	29	10	

Special Inspection

Special Inspection is being conducted due to the irregularities found during the system check inspection made by BFIU. If a bank repeatedly gets lower rating in the system check inspection, it will be the subject to special inspection. In that perspective, BFIU conducts special inspections on a number of branches of that bank and accumulates all the reports and makes a summary report for necessary action.

Again, banks are obliged to submit STRs and CTRs to BFIU. Some special inspections are being conducted to examine whether banks are submitting STRs and CTRs properly, accurately and regularly. In this regard, some branches among the banks are selected at random basis for conducting inspection and necessary steps are taken accordingly.

Besides, special inspections are also conducted for further analysis of some STRs. In addition to this, on the basis of allegation/complaints received from different media, persons or organizations, some special inspections are also conducted to look into the matter.

BFIU has conducted special inspections in 28 bank branches during FY 2013-2014.

Supervision process applied for Money Changers

Money Changers were included as the reporting agency in the year 2008. Subsequently, BFIU issued Guidance notes on anti money laundering and combating financing of terrorism for money changers in the year 2011.

BFIU conducts offsite supervision of all the money changers by sending a checklist and made a database on the information provided by them. Moreover, BFIU inspected 4 money changers during FY 2012-2013.

Supervision process applied for Capital Market Intermediaries

Capital Market Intermediaries were included as reporting organization in the year 2010. Subsequently, BFIU issued Guidelines on Prevention of Money Laundering & Combating Financing of Terrorism for Capital Market Intermediaries in the year 2012.

Bangladesh Securities and Exchange Commission (BSEC) is the regulator of the capital market of Bangladesh. The capital market of Bangladesh comprises of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The Commission is a statutory body and attached to the Ministry of Finance. BFIU closely works with BSEC and two exchange houses.

BFIU conducted offsite supervision in all the intermediaries listed in DSE & CSE by sending a checklist and made a database on the information provided by them during FY 2013-2014. Moreover, BFIU inspected 40 Capital Market Intermediaries during FY 2013-2014.

Supervision process applied for Money Remitter (Mobile Banking)

BFIU issued a comprehensive circular on 12 December, 2012 related to wire transfer where some rules and regulations have been made for money remitter (domestic and international). To see the overall procedure of mobile banking business in Bangladesh, BFIU inspected 4 (four) commercial banks and their local agents and field offices that are providing mobile banking services during FY2013-2014.

Offsite Supervision

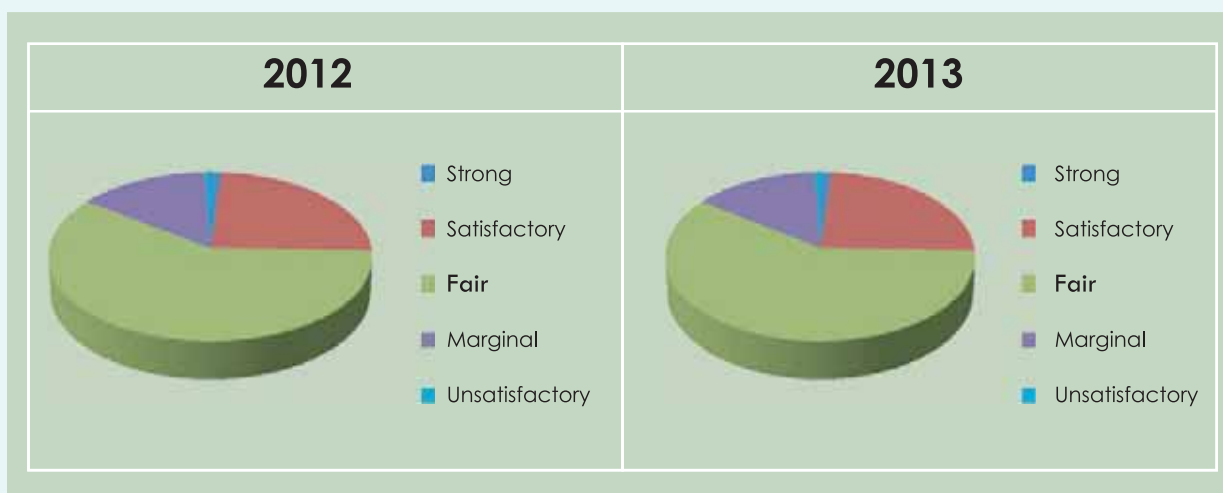
Besides onsite supervision BFIU also carries out offsite supervision of the reporting organizations through Self Assessment report, Independent Testing Procedures report and CTR & STR.

Self Assessment and Independent Testing Procedures

Every single branch of commercial banks is obliged to prepare a Self Assessment Report in every 3 months each year and send it to the Central Compliance Unit (CCU). Moreover, the Internal Control Department of a commercial bank has to prepare a report on the status of prevention of Money Laundering and Terrorist Financing system while inspecting the branches and sent it to the CCU. The reporting process is termed as the Independent Testing Procedures. The CCU then accumulates those two reports and sent it to BFIU.

Table- Status of Banks under Independent Testing Procedures (ITP) in last 2 year

Base Period	No. of branch	Strong	Satisfactory	Fair	Marginal	Unsatisfactory
January-June/2012	2855	69	674	1670	428	14
July-December/2012	3622	10	893	2187	506	26
January-June/2013	3385	30	780	2219	333	23
July-December/2013	3390	23	917	2102	309	39
Total	13252	132	3264	8178	1576	102



Sanctions Imposed

On the basis of on-site and off-site supervisions some corrective measures are taken for the reporting organizations to improve their compliance standard. The corrective measures include actions like calling for explanation, reprimanding, taking disciplinary actions, imposing fine, taking legal actions, etc.

Under the provision of MLPA, 2012 for non-compliance of the Act BFIU has penalized different commercial banks for 10 times amounting to BDT 36,00,000/- and warned several commercial banks during FY 2013-2014.

Operational Support

Strengthening FIU

The Financial Intelligence Units for the respective jurisdictions plays the anchor role to combat money laundering, terrorist financing and related offences. According to the FATF standard an FIU has to be established within a nation or jurisdiction as a central agency for receipt and analysis of STR and other information related to ML, TF and associated predicate offences and for the dissemination of the results of its analysis. As ML & TF are considered as transnational crime, exchange of information between FIUs is very much essential to conclude a successful case. The Egmont group has immensely given importance to maximize and optimize information exchange to have effective cooperation among and between FIUs. Furthermore, the evolving trends and techniques of money laundering and terrorist financing are being complex in nature day by day. Criminal masterminds have become extremely innovative and artful in committing financial crimes with the advancements of technology. Considering the global context of ML and TF and activities of an FIU both domestically and internationally, it has to be strengthened its infrastructural and expertise capacity simultaneously. As an effective FIU, to conduct all the responsibilities properly, BFIU is very much proactive in strengthening its capacity and has taken several initiatives for development of sophisticated infrastructure and skilled human resources.

Development of IT infrastructure

Development of IT infrastructure is one of the top most priorities of BFIU. It has been receiving CTR since December, 2005 and preserving the information scrupulously to create a very efficient database. BFIU has been maintaining a very secure and separate server as it has to manage large number of CTR received from banks and STR received from all the reporting agencies. It has procured analytical and reporting software from UNODC on 04 July 2012 to manage CTR and STR effectively, to analyze STR and to introduce online reporting system. Banks have been submitting online CTR and STR regularly since March, 2014 through goAML software which was introduced on a test basis on 27 August, 2012. BFIU officials are now analyzing STR by using this software. All the reporting organizations will submit online STR through goAML software subsequently. The reporting organizations are being registered with goAML software face by face. BFIU has also been maintaining different types of data in 22 templates in its own MIS. Various types of report can be produced from the data stored in the MIS. Although BFIU has a webpage in the domain of Bangladesh Bank, it is going to launch its separate, independent own website very soon.

Human Resources Development

BFIU understands that a successful organization is one in which a high-performing workforce demonstrates the competencies necessary to drive organizational success and to meet the organization's strategic goals. The best policies, procedures and software in the world are meaningless without the proper human resources to implement the policies or to use the software. Considering these, officials with talent, professionalism and commitment are deployed in the BFIU. As part of the thrust to strengthen the officials, BFIU provides continuous staff development programs that help not only to maintain but also to enhance the unique expertise and skill. Officials of BFIU attend various workshops/seminars organized home and abroad by different international organizations like AUSTRAC, UNODC, US Embassy, World Bank etc. BFIU officials are regularly sent to renowned training institutes on AML/CFT issues all over the world to ensure a human resource pool compatible with world standards. Apart from AML/CFT training, officials of BFIU are also getting trainings on different topics from Bangladesh Bank Training Academy (BBTA) and other organizations.



BFIU officials along with the participants in the workshop titled 'The Revised International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation' in Singapore, August 12-16, 2013

BFIU believes in a developmental performance management system. If any officer seems to have any shortcoming he or she is taken care of especially in a positive manner. BFIU arranges monthly meeting regularly where each official shares his or her updates regarding the responsibilities and tasks he or she has been assigned for. The authority gives required support accordingly. Moreover, BFIU arranges regular in-house training program.



The monthly meeting at Bangladesh Financial Intelligence Unit



A training session conducted by BFIU official

The success of an FIU depends not only on its ability to link and analyze information but also on the ability of reporting organizations in effectively identifying and reporting suspicious transaction and maintaining the compliance standard. That is why, BFIU adopted strategy for enhancing capacities of the reporting organizations so that they can play an important role in combating ML/TF. Every year BFIU provides training for the officials of reporting organizations all over the country. Moreover, BFIU arranges training programs, workshops and seminars for the officials of law enforcement agencies. BFIU officials perform as resource persons for the training program arranged by various law enforcement agencies and reporting organizations.



Breakout session of a training program conducted by BFIU official

Domestic Co-operation

In Country Pre-Mutual Evaluation Training Workshop

AML and CFT compliance of Bangladesh against FATF standard will be assessed under the APG's third round of mutual evaluation process during 2015-2016. To make the relevant stakeholder aware about the mutual evaluation process APG arranged a 3 days long Pre-Mutual Evaluation Training Workshop during 13-16 April, 2014 in Bangladesh. Mr. Lindsay Chan and Ms. Suzie White from APG Secretariat conducted the workshop. Representatives from Government and Private sector were participated in the workshop.



A moment of In Country Pre-Mutual Evaluation Training Workshop

Memorandum of Understanding (MoU) with Anti-Corruption Commission (ACC)



Signing of Memorandum of Understanding (MoU) between BFIU and ACC

Anti Corruption Commission (ACC) and Bangladesh Financial Intelligence Unit (BFIU) has signed a Memorandum of Understanding (MoU) on 4 May, 2014 with a view to increase the scope of cooperation for dealing with money laundering and other financial crimes. Director General of ACC Brig Gen (retd) MH Salahuddin and General Manager of Bangladesh Bank Mr. Debaprosad Debnath have signed the MoU on behalf of their respective organization. Governor of Bangladesh Bank Dr. Atiur Rahman and Chairman of ACC Mr. M Badiuzzaman were present on the occasion. The ACC and BFIU have jointly undertaken various initiatives to fight against money laundering and other financial crimes.

Anti Militants and De-radicalization Committee

The Government of Bangladesh is very much vigilant against terrorism and an inter-ministerial committee is in place for the prevention and redress of terrorism to fight against terrorist and the terrorist organizations in a more coordinated way. The committee headed by the State Minister of Ministry of Home Affairs comprises of high officials from different ministries and law enforcement and security agencies. The committee met 16 times during 2009-2013 to establish a strong coordination effort to fight against terrorism. Moreover, the committee tried to find out more sensitive and sophisticated ways to create awareness among the general people about the negative impact of terrorism. As a member of the committee, BFIU has an important role to implement the decision taken by the committee. The committee met 2 times in the first half of the year 2014.

Online Connectivity with Government Stakeholders

The Government of Bangladesh has formed a committee on 12 May, 2013 to establish the online connectivity between BFIU and other relevant Government stakeholders. The Additional Secretary (Political) of the Ministry of Home Affairs is the convenor and Deputy Secretary (Regulation & Policy) of Bank and Financial Institutions Division is the Member Secretary of the committee. The General Manager of BFIU is one of the members of the committee. There are other members from ACC and National Board of Revenue (NBR). The committee met several times and BFIU arranged a workshop on 31 December, 2013 with all the relevant agencies. 32 Government agencies have already registered with goAML software to exchange pertinent information with BFIU.

National Coordination Committee on AML/CFT

There is a National Coordination Committee (NCC) in place to formulate policies and directives on Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) and to oversee the implementation of the same. The Honorable Finance Minister is the convenor of this high powered committee. The Governor of Bangladesh bank is one of the members of that committee and Deputy Governor & Head of BFIU Mr. Abu Hena Mohd. Razze Hasan is working as the member secretary of this committee. The committee comprises of 13 executive level officials from different Government ministries and organizations. The committee is responsible for formulation and implementation of important national policies and international standards for combating money laundering and terrorist financing. AP-RRG visit team met with the national coordination committee on 24 November, 2013.

Working Committee on AML/CFT

A Working Committee has been formed comprising 23 members to support the NCC and to implement the decisions of NCC. The convener of the committee is the Secretary of Bank and Financial Institution Division, Ministry of Finance. The Deputy Governor of Bangladesh Bank and head of BFIU is one of the members of that committee. BFIU through the assistance of Bangladesh Bank has provided all out assistance to the committee. The committee regularly reviews the international compliance requirements and addresses the issues if any change is required in the existing AML and CFT rules and regulations. The committee then presents the same to the NCC for policy decision. The committee is mainly responsible for ensuring coordinated institutional effort to implement the policies for combating money laundering and terrorist financing. The member of WC or nominated person from respective ministries or agencies is supposed to act as the 'Primary Contact Point' and is responsible for coordinating and preserving data related to AML and CFT.

Central and Regional Task Force for Preventing Illegal Hundi Activities, Illicit flow of Fund & Money Laundering

The Government of Bangladesh has formed a central and 7 regional taskforces (Chittagong, Rajshahi, Bogra, Sylhet, Rangpur, Khulna and Barisal) on 27 January, 2002 to prevent Illegal Hundi Activities, Illicit flow of Fund & Money Laundering in Bangladesh. The Deputy Governor of BB and head of BFIU is the convenor of that committee. Both the task force's meeting hold bi-monthly and the committees have met 6 times during FY 2013-2014. The regional task force meeting minutes are discussed in the central task force meeting. Besides high profile cases are discussed in the central task force meeting. The central task force set out important decisions that are implemented through banks, financial institutions and Government agencies cocerned.

Bi-lateral Meeting with Law Enforcement agencies

BFIU regularly meets with Law Enforcement agencies to get the update from them about the cases that have been sent by BFIU. BFIU and CID, Bangladesh police meets bi-monthly and BFIU and ACC meets in every month.

Initiatives taken for the Implementation of the UNSCR



Deputy Governor & Head of BFIU Mr. Abu Hena Mohd. Razee Hassan is delivering his inaugural remarks in a workshop on UNSCR's

As a member of the UN family, The Government of Bangladesh is firmly committed to implement the provisions of the relevant resolutions of United Nations Security Council. A national committee is coordinating and monitoring the effective implementation of the United Nations Security Council Resolutions (UNSCR) relating to terrorism, terrorist financing and financing of proliferation of weapons of mass destruction. The committee is headed by the Foreign Secretary and comprises of representatives from Ministry of Home Affairs; Bank and Financial Institutions Division, Ministry of Finance; Legislative and Parliamentary Affairs Division, Ministry of Law, Justice and Parliamentary Affairs and BFIU. Meanwhile BFIU and Ministry of Foreign Affairs jointly organized workshop for Focal Points and Primary Contact Points of Government agencies. Besides BFIU and World Bank, Dhaka jointly organized a 2 day long workshop on 24-25 September, 2013 on 'Improving Compliance with Targeted Financial Sanctions under relevant Security Council Resolutions'.

International Co-operation

Signing of Memorandum of Understanding (MoU) with other FIU's

The FY 2013-2014 would be remained as a milestone for Bangladesh Financial Intelligence Unit (BFIU) in international arena as it achieved the long cherished Egmont Group membership on 03 July, 2013. Although, BFIU's effort of Building relationship with its international counterparts has been being continued since the inception, it has got a momentum after getting the membership of the Egmont Group. Egmont Group always gives importance on ensuring the ultimate cooperation by signing agreements between jurisdictions.

The following table shows the FIUs that have signed MoU with BFIU-

List of MoU signed between BFIU and FIUs of different Countries		
Sl no.	Name of FIU	Year of signing
1	Unit Perisikan Kewangan (FIU) Malaysia	August 2008
2	Financial Information Unit (FIU) Nepal	October 2008
3	Anti Money Laundering Council (AMLC) Philippines	December 2008
4	Indonesian Financial Transaction Reports And Analysis Centre (PPATK)	March 2009
5	Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA)	July 2009
6	Korea Financial Intelligence Unit (KoFIU)	July 2009
7	Cambodia Financial Intelligence Unit (CAFIU)	October 2009
8	Anti Money Laundering Office (AMLO) Thailand	September 2010
9	Financial Intelligence Unit (FIU) Sri Lanka	October 2010
10	UK Financial Intelligence Unit (UKFIU)	November 2010 (Renewed on February 2014)
11	Suspicious Transaction Reporting Office (STRO) Singapore	December 2011
12	Financial Intelligence Centre, Republic of South Africa	July 2012
13	Financial Information Unit, Mongolia	July 2012
14	Japan Financial Intelligence Center (JAFIC)	January 2013
15	Myanmar Financial Intelligence Unit (MFIU)	March 2013
16	Financial Information Unit (UIF) Argentina	October 2013
17	Money Laundering Secretariat, Denmark	February 2014
18	Financial Intelligence Unit, Trinidad & Tobago	June 2014
19	Belgian Financial Intelligence Processing Unit (CTIF-CFI)	June 2014
20	Saudi Arabia Financial Investigation Unit (SAFIU)	June 2014
21	Financial Intelligence Unit (UIF) Peru	June 2014
22	Financial Intelligence Unit - India (FIU-IND)	June 2014
23	Financial Intelligence Unit (MOT) Aruba	June 2014
24	Financial Crimes Investigation Board (MASAK) Turkey	June 2014
25	General Directorate of Prevention of Money Laundering (DPPPP) Albania	June 2014

To enhance the cooperation with foreign counterparts, BFIU signed Memorandum of Understanding (MoU) with 10 Financial Intelligence Units (FIU) of other countries in the very first year of being the member of the Egmont group i.e. in FY 2013-2014. Among these MoU, on a single day, 6(six) MoU were signed at the 22th Egmont group plenary meeting during 01-06 June, 2014 at Lima, Peru. At a 'MOU signing ceremony' session of the plenary on 03 June, 2014, Deputy Governor of Bangladesh Bank and head of BFIU Mr. Abu Hena Mohd. Razee Hassan signed MOU with FIUs of India, Saudi Arabia, Belgium, Peru, Aruba and Trinidad and Tobago. The General Manager and Operational Head of BFIU Mr. Debaprosad Debnath along with Deputy General Manager Mr. Abu Jafar, Joint Director Mr. Kamal Hossain and Deputy Director Mr. Tarun Tapan Tripura were also present at the plenary meetings. Furthermore, Mr. Abu Hena Mohd. Razee Hassan participated at the Legal Working Group (LWG) meeting, Mr. Debaprosad Debnath participated the Outreach Working Group (OWG) meeting and Mr. Abu Jafar, Mr. Kamal Hossain and Mr. Tarun Tapan Tripura together participated the Operational Working Group (OpWG) meeting at the plenary.

Other 4 MoU were signed during different times during FY 2013-2014. The signing of MoU will enhance cooperation within the FIUs by sharing and exchanging intelligence and information which are the most important resources to generate leads for a successful case. Besides, it will also help to improve the human resources of BFIU by exchanging expertise through bilateral trainings and workshops. This achievement will obviously open a new window for the AML and CFT regime of Bangladesh. BFIU has signed MoU with 25 FIU's of different countries up to June 2014.



Head of BFIU and Head of FIU-IND is exchanging the Memorandum of Understanding (MoU) documents



Signing of MoU between SAFIU (Saudi Arab) and BFIU



Signing of MoU between UIF-Peru and BFIU



Signing of MoU between CTIF-CFI (Belgium) and BFIU



Signing of MoU between Denmark FIU and BFIU



Signing of MoU between FIU of Trinidad & Tobago and BFIU



Signing of MoU between UIF-Argentina and BFIU

Visit to APG Secretariat by Inter-ministerial Team



Bangladesh delegation with the officials of APG Secretariat

An Inter-ministerial Team led by Mr. Mohammad Shahidul Haque, Secretary, Legislative and Parliamentary Affairs Division of Ministry of Law, Justice and Parliamentary Affairs has visited Australia during 24-27 March, 2014 to meet with APG Secretariat and other key Australian agencies related to AML and CFT including Attorney General Office of Australia. The Deputy Governor of BB and Head of BFIU Mr. Abu Hena Mohd. Razee Hasan, Additional Secretary of Bank and Financial Institutions Division of Ministry of Finance Mr. Gokul Chand Das and 2 other BFIU officials have attended the visit program as members of the team. The team mainly focused on the upcoming Mutual Evaluation preparations covering the FATF standards, assessment methodology and 3rd round mutual evaluation procedures.

Visit program to consult with the US counterparts and relevant Agencies



Bangladesh team with US Government officials in USA

The Deputy Governor of BB and Head of BFIU Mr. Abu Hena Mohd. Razee Hassan led an inter-agency team comprises of officials from Bangladesh Police, Public Prosecutor, Judicial Administration Training Institute and BFIU to visit USA during 21-28 April, 2014 to meet with US Department of Justice and other key US counterparts related to AML/CFT. The team mainly focused on counter-terrorism of US Government. Ms. Karren Kenny of US Embassy in Bangladesh has coordinated the whole program.

CTITF Global Experts Meeting on “Capacity-Building for Terrorist Designations and Asset Freezing”

The United Nations Counter-Terrorism Implementation Task Force (CTITF) was established by the United Nations Secretary-General in June 2005 to ensure coordination and coherence in the counter-terrorism efforts and support the development of the UN Global Counter-Terrorism Strategy and its implementation. The mandate of the CTITF is to ensure coordination and coherence in the counter-terrorism effort of the UN and to support the development of the UN Global counter-terrorism strategy and its implementation. CTITF has undertaken a project called 'CTITF Working Group Capacity-Building Project' to assist member states in implementing, administering and enforcing obligation to designate terrorist individual and organization and frozen their assets in a manner consistent with international human rights standard. CTITF arranged a Global Experts Meeting on “Capacity-Building for Terrorist Designations and Asset Freezing” at UN office in USA during 13-14 May, 2014. Mr. Kamal Hossain, Joint Director of BFIU and Mr. Faiyaz Murshid Kazi, Director (UN) of Ministry of Finance attended the meeting and made a presentation about the legal provisions and implementing mechanism of UNSCR's in Bangladesh.

Nepal FIU visit BFIU on the implementation of goAML software

BFIU is currently using the goAML software that is procured from United Nations Office on Drugs and Crime (UNODC) to receive, analyze and preserve the CTR and STR. In the subcontinent BFIU is the only FIU that is using this software. With a view to gaining the practical knowledge about the application of goAML software,



Officials of Nepal FIU along with BFIU officials

Officials from Nepal FIU visited BFIU during 3-5 December, 2013. The team was headed by the Deputy Governor and Head of FIU Mr. Eden Dema. The 2 day long visit helped both the FIUs to share and exchange their views on the best use of goAML software.

6th BIMSTEC Sub Group Meeting on Combating the Financing of Terrorism (CFT)



The Bangladesh delegation attended in the 6th Meeting of the BIMSTEC Sub-Group on Combating the Financing of Terrorism

The Sixth Meeting of the BIMSTEC Sub-Group on Combating the Financing of Terrorism (SG-CFT) under the BIMSTEC Joint Working Group on Counter-Terrorism and Transnational Crime (JWG-CTTC) held during 05-07 February 2014 at New Delhi, India. The Bangladesh delegation headed by Mr. M. Mahfuzur Rahman, Executive Director & Deputy Head of BFIU. The delegation comprises of officials from Ministry of Home Affairs and BFIU. The meeting was focused on the issue that the countries are facing terrorism not only domestically but also in the neighboring countries.

Fifth session of the Conference of the States Parties (COSP) to the United Nations Convention against Corruption (UNCAC)

The fifth session of the Conference of the States Parties (5th COSP) to United Nations Convention against Corruption (UNCAC) was held in Panama City, Panama from 25 to 29 November, 2013. A ten member delegation comprising of officials from various ministries and agencies from Bangladesh led by the Honorable Minister, Ministry of Law, Justice and Parliamentary Affairs Barrister Shafique Ahmed attended the conference. Among the delegates were the Chairman of Anti Corruption Commission (ACC), Secretary of Legislative and Parliamentary Affairs Division of Ministry of Law, Justice and Parliamentary Affairs, Additional Attorney General and Mr. AKM Ehsan, Deputy General Manager of BFIU. The state parties discussed in the conference on Prevention, Criminalization, International Co-operation and Asset Recovery regarding Corruption and its relevance to Money Laundering.



Bangladesh delegation at the Conference of the States Parties (5th COSP) to United Nations Convention against Corruption (UNCAC)

BFIU is performing as Sponsor for Bhutan FIU to get the Egmont Group Membership

BFIU is much eager to improve the AML & CFT regime not only in its own country but also in the neighboring countries. In this regard, BFIU along with Korean FIU (KO-FIU) are acting as the sponsors in the process of getting Egmont Group membership of Bhutan and providing Technical Assistance (TA) to them. Bhutan is now upgrading its AML & CFT regime in the country. Meanwhile two technical missions have been completed by BFIU officials.



BFIU team is handing over souvenir to the Governor of Royal Monetary Authority of Bhutan in Kathmandu

16th APG Annual Meeting

A nine members Bangladesh delegation headed by Attorney General of Bangladesh Mr. Mahbubey Alam and was comprised of high level officials from Prime Minister's Office, Bank and Financial Institution Division, Ministry of Finance, Ministry of Law, Justice and Parliamentary Affairs, Ministry of Foreign Affairs and Bangladesh Financial Intelligence Unit (BFIU) attended the 16th APG annual Meeting in Shanghai, China during 15-19 July, 2013.



Bangladesh delegation team at the 16th APG Annual Meeting

Deputy Governor and Head of BFIU Mr. Abu Hena Mohd. Razee Hassan co-chaired a technical seminar on Targeted Financial Sanctions (TFS) on TF and PF. Besides, Ms. Saida Muna Tasnim, Director General (UN) presented on legal and regulatory framework of Bangladesh on TFS.

Strengthening AML/CFT Regulation in South Asia (SARISA) program by AUSTRAC

SARISA is a three-year capacity-building program by AUSTRAC (Australian FIU) for Bangladesh, Nepal and Sri Lanka. The program focuses on training and capacity building of regulators and employees of insurance and securities sectors and risk assessment of those sectors. In March 2014, AUSTRAC conducted a workshop for the regulatory authorities of insurance and security market sectors. The workshop focused on identifying the associated risks and vulnerabilities in insurance and security market sectors.

Priorities for the Upcoming Years

Preparation for the 3rd Round Mutual Evaluation

Bangladesh has agreed to undergo the 3rd round Mutual Evaluation in 2015 under the revised FATF Standards and 2013 assessment methodology. The onsite visit for the Bangladesh Mutual Evaluation will take place during October, 2015 and the Mutual Evaluation Report will be placed to adopt in the APG Annual meeting in 2016.

There is a great deal of work to prepare for and support the of Bangladesh's next Mutual Evaluation. The assessment will evaluate technical compliance with the FATF 40 Recommendations, and make key judgments on effectiveness, i.e., assessing whether Bangladesh has adequately understood and responded to the money laundering and terrorist financing risks and vulnerabilities facing the country.

An action plan has been prepared by BFIU to address all the requirements of Mutual Evaluation process which includes National ML and TF Risk Assessment, National AML/CFT Strategy Paper for 2014-16, workshops/seminars for the stakeholders to make the relevant agencies prepared for ME and providing Technical Compliance (TC) and Effectiveness of the AML/CFT system to APG.

Deepening Co-ordination and Liaisons with Regulatory Authority, Self Regulatory Body and Association

According to Money Laundering Prevention rules, 2013 and Anti Terrorism Rules, 2013 Financial Sector Supervisors, Regulatory Authority, Self Regulatory Body (SRB) and Association have several important responsibilities to prevent money laundering and to combat terrorist financing. Since the enactment of MLPA, 2012 regulatory authority like Bangladesh Securities and Exchange Commission (BSEC), Insurance Development and Regulatory Authority (IDRA) are working very closely with BFIU in this regard. But in supervisory aspects and in the field of awareness raising to fight against ML & TF, the other regulators, SRB's and association has to do more.

To enhance the capacity and effectiveness of the Financial Sector Supervisors, Regulatory Authority, Self Regulatory Body (SRB) and Association BFIU will work closely with them. As per the provision of the said rules, supervisors have to set up a separate wing dedicated to AML & CFT. BFIU is currently giving technical assistance to the regulators to set up a separate AML & CFT wing. In the next year BFIU will focus on conducting some joint inspection and awareness building program for the reporting organizations.

Issuance of Master Circular for various Reporting Organizations

BFIU has issued a number of circulars/circular letters over the years for reporting organizations to combat money laundering and terrorist financing. Through those circulars/circular letters, reporting agencies are directed to follow a certain customer identification procedure for opening of accounts, monitoring transactions and reporting of CTR/STR to BFIU in an appropriate manner. To make the contents of the circulars/circular letters easier, BFIU is planning to issue separate master circular for each of the reporting organization in the coming year. The master circular will cover all the requirements of the Recommendations made by the Financial Action Task Force (FATF) as well as the national requirements on AML and CFT.

Implementation of Risk Based Approach for Monitoring

In 2012, the FATF updated its Recommendations to strengthen global safeguards and to further protect the integrity of the financial system by providing stronger tools to the Government to take actions against financial crimes. Introducing Risk Based Approach for Financial Institutions is one of the main changes in the recommendations. FATF recommendation-1 requires that every jurisdiction must have national ML & TF risk assessment and jurisdiction must follow Risk Based Approach in dealing with ML & TF offences. BFIU is going to introduce Risk Based Approach for Financial Institutions in the next year specially for Banks, Financial Institutions, Insurance Companies and Security Market Intermediaries. The draft guidelines have already been prepared and BFIU is going to issue the guidelines for the Banks and others reporting organizations very soon.

Resourceful web link of BFIU

BFIU is currently having a web link with Bangladesh Bank. This web link is provided with all related information of BFIU. BFIU is now going to make the web link more resourceful, dynamic and more user friendly for its stakeholders and users. Furthermore, BFIU is going to launch its separate, independent own website very soon.

Sector specific ML & TF risk assessment

According to the requirements of FATF recommendation-1 BFIU is going to conduct sector specific ML & TF risk assessment. The sector specific risk assessment of DNFBP's will be made with the Technical Assistance of World Bank in the next year.

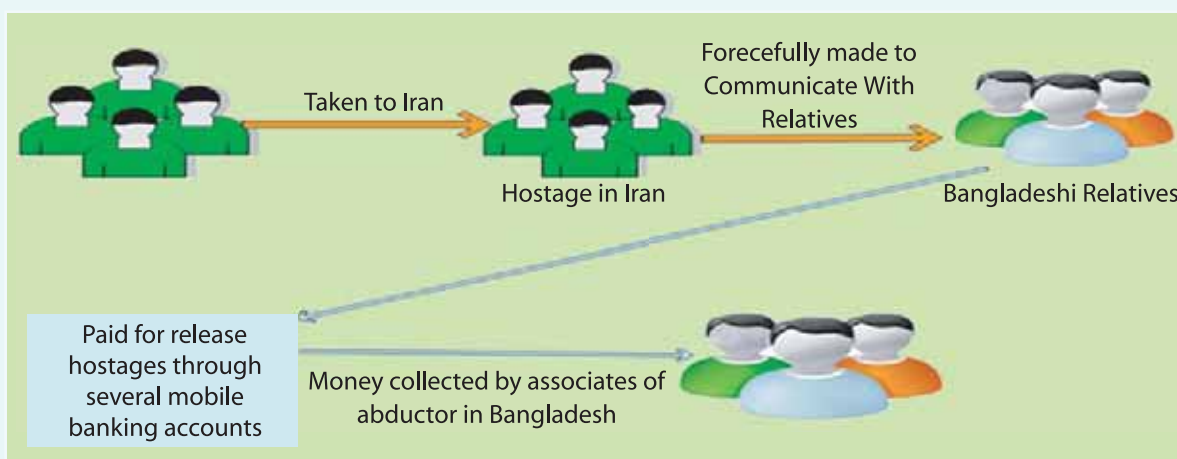
Case Study and Typology

Case 1: Mobile banking accounts used to collect ransom

A gang of unscrupulous Bangladeshi human traffickers got some young men fly to Iran on the promise of providing them better jobs with handsome salary. Traffickers lured the men mostly from Dubai and Sharjah in the United Arab Emirates (UAE) at different times with the promise of lucrative jobs in Saudi Arabia, Iraq and Greece. These men were picked up separately and taken to Iran where they were confined inside a house secretly, their passports, documents and other valuables were forcefully snatched.

The traffickers then forced the hostage to contact with their families in Bangladesh to pay ransom for their release. Each hostage were forced to pay between BDT 1,50,000 (USD1948) to BDT3,00,000 (USD3896) through a popular mobile financial service provider in Bangladesh for their release. Investigation reveals that 23 mobile banking accounts were used to collect ransom. Some of these accounts were opened by using fake ID and some transactions were done by using 20 unique mobile banking customer accounts under an agent's name within a short period of time and facilitated most of the ransom (BDT21,52,000) on behalf of the traffickers. According to the existing directive, an agent is not permitted to open mobile banking customer accounts on behalf of others under his/her name and is not allowed to transact for others through either his/her mobile banking agent account or personal mobile banking account. The case was forwarded to CID of Bangladesh Police who filed a case in this regard and with the help of Iranian Authority rescued 13 Kidnapped persons from Iran.

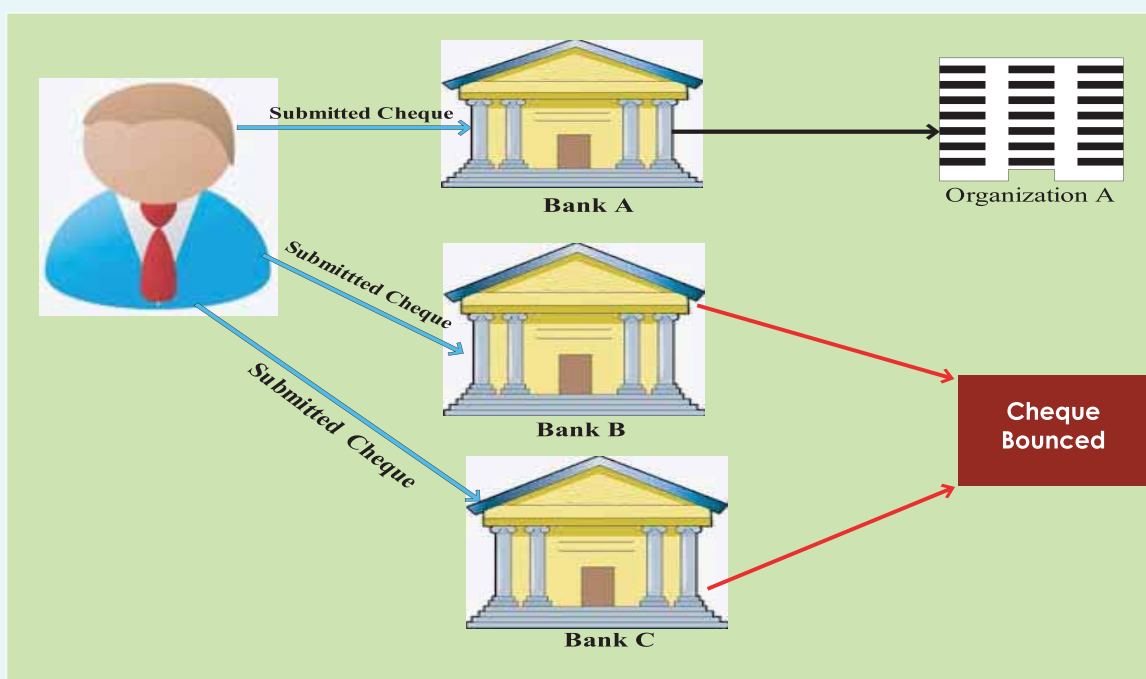
Offence	Human trafficking, Hostage taking
Customer	Group of Individuals
Industry	Bank
Channel	Physical Mobile Financial Service
Report Type	Complaints from different sources
Jurisdiction	Transnational
Designated Services	Mobile banking agents account and customer account
Indicators	Human trafficking, unlawfully open and operated mobile accounts



Case 2: Fraudster presented fake cheque to embezzle others money

Investigation revealed that an Individual maintained a current account in the name of his fictitious firm with a bank. After opening the account, there was not any significant transaction for sometime. After few days, a fake cheque was presented against his account for clearing and the fraudster managed to embezzle a fund of BDT 11,75,795 (USD15,270). Due to negligence of the bank officer, the cheque was not properly examined through UV detection machine and magnetic ink scanner. Later on, the fraudster again presented two different cheques in two different banks but the title of the accounts were the same. Due to the proper and diligent measures, those two banks found the checks as fake, and this time the fraudster was not successful. After an investigation, it was found that all the three checks had some security lapses and the respective bank did not follow the positive pay instruction advised by Bangladesh Bank for confirming a cheque. Based on the findings, BFIU prepared a report and forwarded the same to Anti Corruption Commission of Bangladesh for taking legal action. ACC has already filed a case against the fraudster and further investigation is going on.

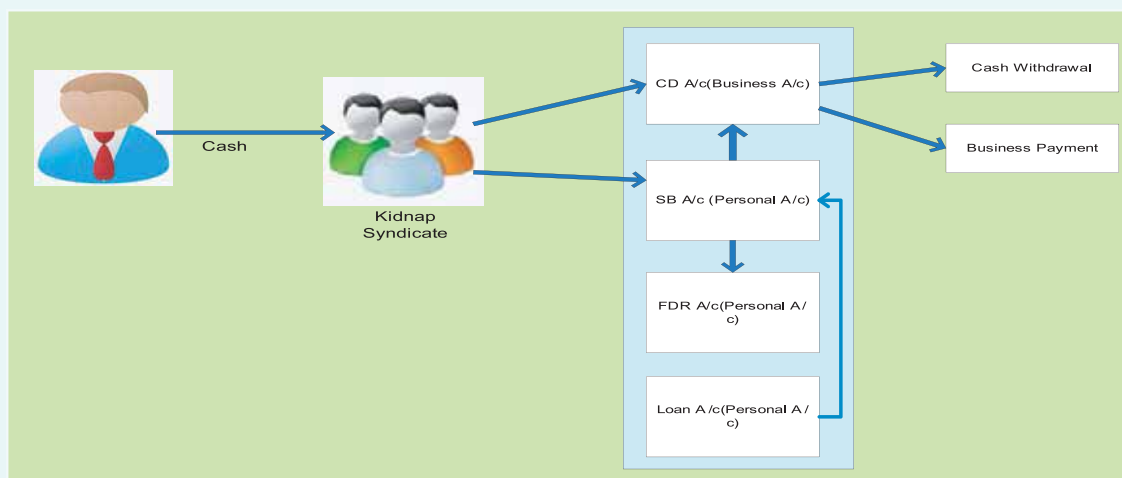
Offence	Forgery, Counterfeiting Documents
Customer	Individual Business
Industry	Bank
Channel	Electronic
Report Type	Complain
Jurisdiction	National
Designated Services	Account and Deposit taking service
Indicators	Counterfeit Cheque presentation



Case 3: Use of banking channel to disguise the source of abducted money

A syndicated kidnapping group kidnapped a businessman from a commercial city and later freed him away after taking BDT 1,00,00,000 as ransom. Local newspapers published the news highlighting the name of the group leader and few other alliances. The newspapers also mentioned that the kidnappers divided the money among themselves and the leader of the group deposited his portion in a bank. Knowing the matter through newspapers and checking their records, a bank found an account in the name of the leader of kidnapping group. The bank lodged an STR. After analyzing it was revealed that the suspected leader of the kidnapping group had four accounts (one Savings, one FDR, one Current and one Loan account) in that particular bank. The savings account was opened long before the incident had been occurred. But the other three accounts were opened after the incident. The current account (CD) was opened in the name of a business of the leader. Reviewing the account it was found that during the incident occurring month BDT 28,20,000 was deposited in cash to the savings account and BDT 44,55,000 was deposited in cash to the CD account in the next month. Except these there was no deposit to the accounts. To disguise the source of the money the kidnapper opened an FDR for BDT 25,00,000 diverting the fund from savings account and took a loan of BDT 22,50,000 from the bank & deposited the sum to the savings account. After that he transferred BDT 22,00,000 to the CD account from the savings accounts. The kidnapper unnecessary transferred the money among his bank accounts just to disguise the origin of the fund. BFIU froze all his bank accounts exercising the power conferred by section 23(1)(c) of the MLPA, 2012 and the case was sent to CID of Bangladesh Police to initiate further legal action.

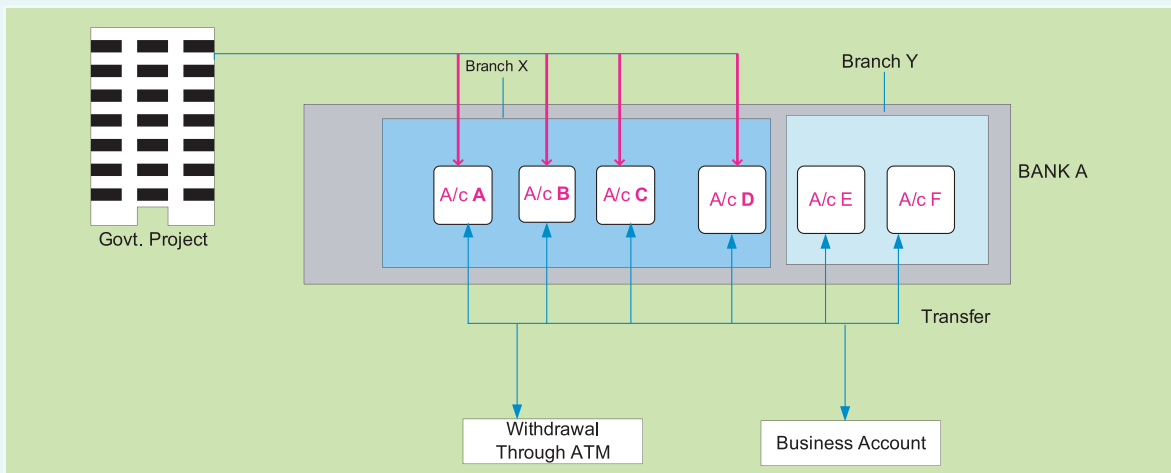
Offence	Kidnapping, illegal restrain and hostage taking
Customer	Individuals
Industry	Bank
Channel	Electronic Physical
Report Type	STR
Jurisdiction	National
Designated Services	Account Services
Indicators	Unusual transactions News in the print media



Case 4: Official of a Govt. project attempted to embezzle project fund

One official of a govt. project and a businessman (both were relatives) opened six accounts in two branches of a commercial bank during a period of seven months. The six accounts were opened in different names (occupations were shown as students and housewife) but the nominee and actual beneficiary of those accounts were those two persons. At the beginning, there was no significant transaction on those accounts but some IPO investment in the accounts. But suddenly over a three month period the six accounts were deposited with funds through EFTIs. As soon as the accounts were deposited with large amount through EFTI, the bank started to keep an observation on these accounts. In the meantime the govt. agency came to know that one of their official illegally transferred govt. project funds total BDT 1,27,00,000 through EFTIs by using various codes and the whole amount was deposited to the six accounts. After getting Information from the govt. agency, the bank lodged STRs against the accounts. During the analysis a link was found between these six accounts and an account of a proprietorship firm maintaining in another branch of the same bank. The proprietor of the firm was a businessman who was a relative of the govt. official. The deposited money in the six accounts were withdrawn mostly through ATMs and part of the amount transferred to the proprietorship firm's account. After analyzing the seven accounts, BFIU froze them exercising the power conferred by section 23(1)(c) of the MLPA, 2012 sent the case to ACC to initiate further legal action.

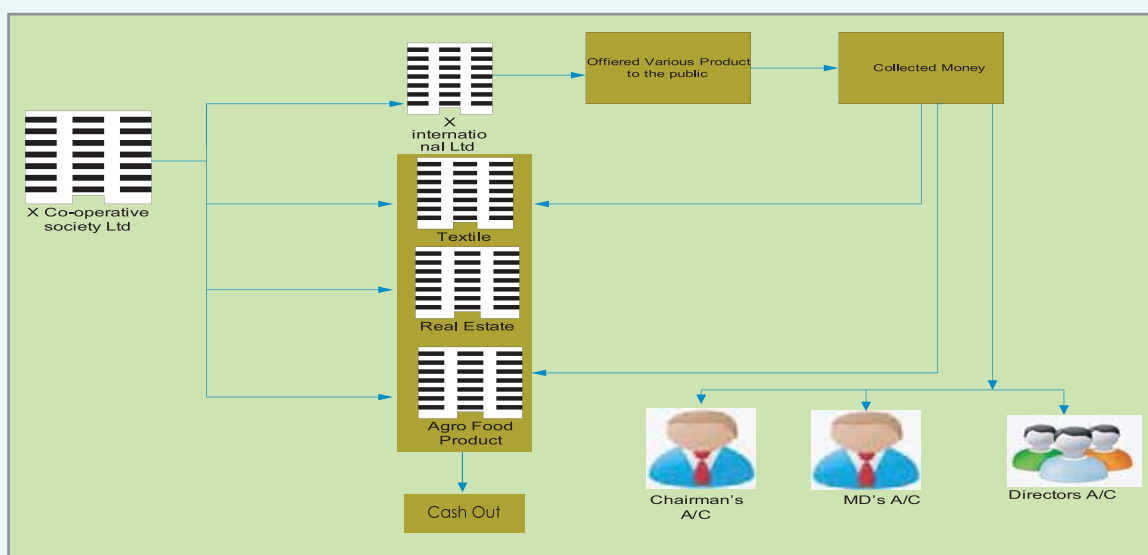
Offence	Embezzlement of govt. project fund
Customer	Individuals Business
Industry	Govt. Agency Bank
Channel	EFTN, Banking
Report Type	STR
Jurisdiction	National
Designated Services	Account Services
Indicators	Multiple high-value electronic fund transfer Unusual transaction



Case 5: Multi-level marketing attempted to embezzle public money

'X' International Limited (XIL), a multi-level marketing company, was one of the sister concerns of 'X' Co-operative Society Limited (XCSSL) which had businesses in different sectors like textiles, real estate, agro and food products etc. XCSSL, after taking permission from the co-operative authority of Bangladesh to operate only in Dhaka Division, opened branches in different districts and upazillas to reach the customers/agents and collected huge deposits from the populace illicitly by offering unusual profits. XIL also published a list of 100 agents on its website mentioning that only a trade license and bank account in a local bank is required to be an agent. Soon, XIL came forward with the 'X' City Project (located at Dhaka) to invest in three distinct packages, each of which offered to yield the deposits double in six months. There was also 20% discount in the flat allotment for the agents. In another division, XIL offered that if a person invests in any of its three distinct products, s/he will get double benefits in 12, 18 and 24 months respectively. Thus XIL embezzled huge amount of public money by fraudulent activities and transferred the money to their personal and other institutional accounts. Getting the allegation from an intelligence agency, BFIU found out all the related accounts of XIL, XCSSL and froze the accounts. Furthermore, the textile, real estate, agro and food products businesses were found non-operative. Later BFIU sent the case to the ACC for taking legal actions. Now the case is under ACC's investigation.

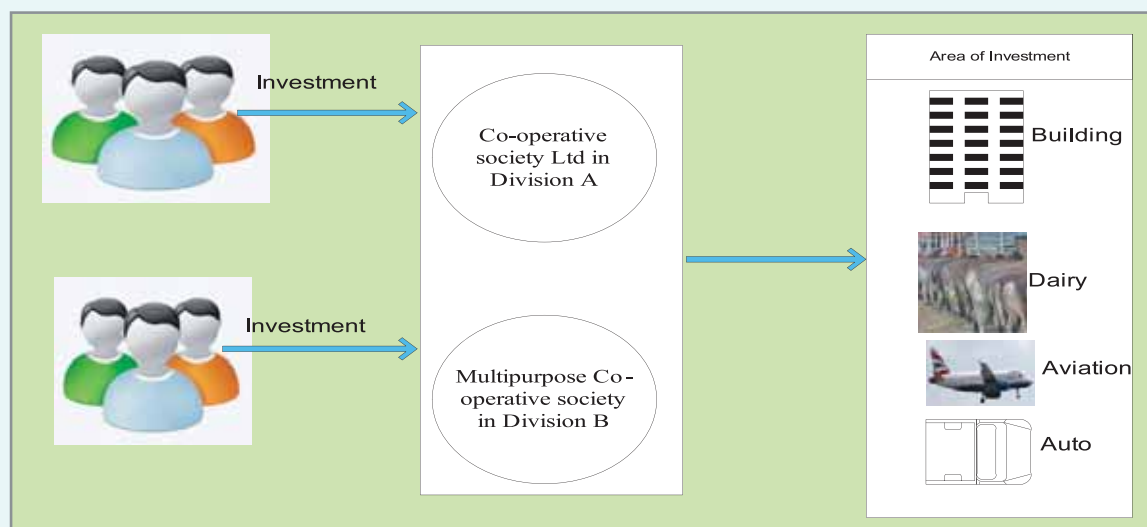
Offence	Fraud, Embezzlement of public money
Customer	Business Individual
Industry	Bank Co-operative society
Channel	Physical, Electronic
Report Type	Intelligence Report from Law Enforcement Agency STR
Jurisdiction	National
Designated Services	Offering different investment product with unusual interest rate
Indicators	Collect money from customers by offering unusual profits Unusual transaction among the accounts



Case 6: Co-operative society's attempt to embezzle it's members fund

A co-operative society, registered as a private limited company was doing its business as a co-operative and started to expand its business in different sectors like real estate, dairy farm, aviation, auto, consumer products etc. The co-operative society took necessary permission from a divisional office of the co-operative authority and collected huge money from customers committed to get unusual profit in that division. Meantime, they took permission from another division in the name of a multipurpose and co-operative society limited and expand their business in that area also. Thus they collected about BDT 12 billion from their customers and were used to giving them the declared profit. In the meantime there was an allegation against the co-operative that they were closing down their branches and activities without consent of their regulatory authority and thus posed a great risk of losing public money. The regulatory authority suspected that the co-operative may be involved in money laundering and according to print media there was an embezzlement of around BDT 9.50 billion of the customer. Instantly getting directives from the co-operative authority, BFIU found out all the related bank accounts of that organization and froze the accounts by exercising the power conferred by section 23(1)(c) of the MLPA, 2012. Bangladesh Financial Intelligence Unit collected all related bank document of the co-operative society and sent it to ACC. Now the case is under ACC's investigation.

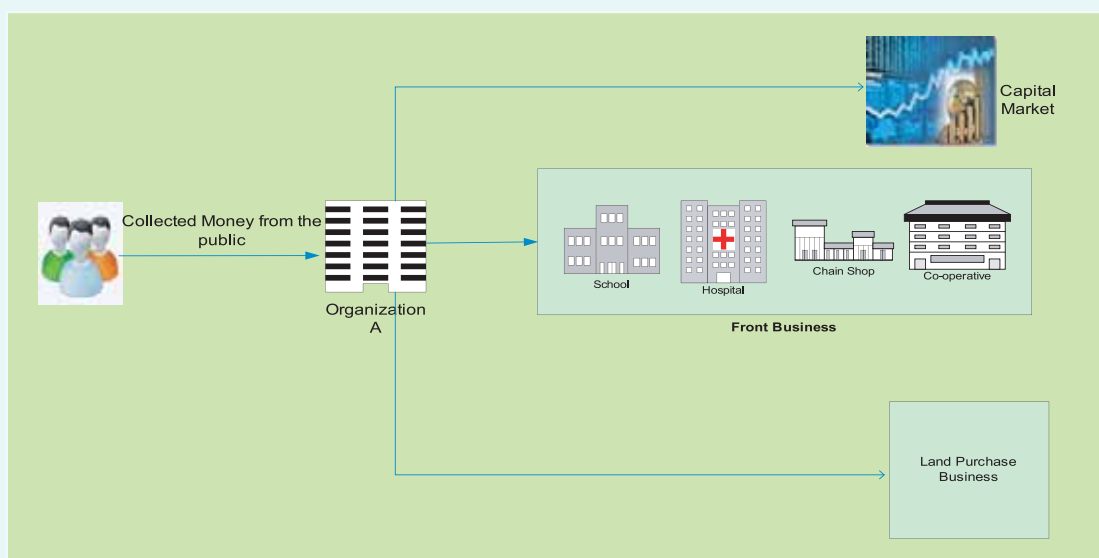
Offence	Fraud, Embezzlement of public money
Customer	Business Individual
Industry	Co-operative society
Channel	Electronic
Report Type	STR
Jurisdiction	National
Designated Services	Co-operative activities
Indicators	Unusual Transaction, sudden shutdown of branch offices



Case 7: Suspect collected public money and diverted the fund to his personal business

An organization registered under the Registrar of Joint Stock Companies & Firms collected money from general people by offering high interest rate. But, after 2 years of its operation, suddenly stopped to give interest to its clients. Investigation revealed that Chairman as well as organizer of the business was an employee (contract based) of a Specialized Bank's project, financed by foreign organization. He distributed and collected project's fund among the people and become popular in his locality. The suspect along with his family members and friends established some front organizations like school, hospital, chain shop and employer-employee co-operative society. He informed the people that invested money would be used for the operating of the mentioned organizations and gained the faith of the local investors. Behind the scene the suspect actually diverted large share of fund into share market and partly diverted to land purchasing business. During two years of operation, suspect collected BDT 40,00,00,000 (approx) but became failed to repay its clients due to the capital market crash and its ultimate effect on land price cut. Due to the suspect's fraudulent activity a case was filed in local police station and as a result, the suspect and his wife were arrested. After getting allegation from the respective authority, BFIU found out and froze all the bank accounts under the suspect and later, the case was forwarded to ACC for further legal action.

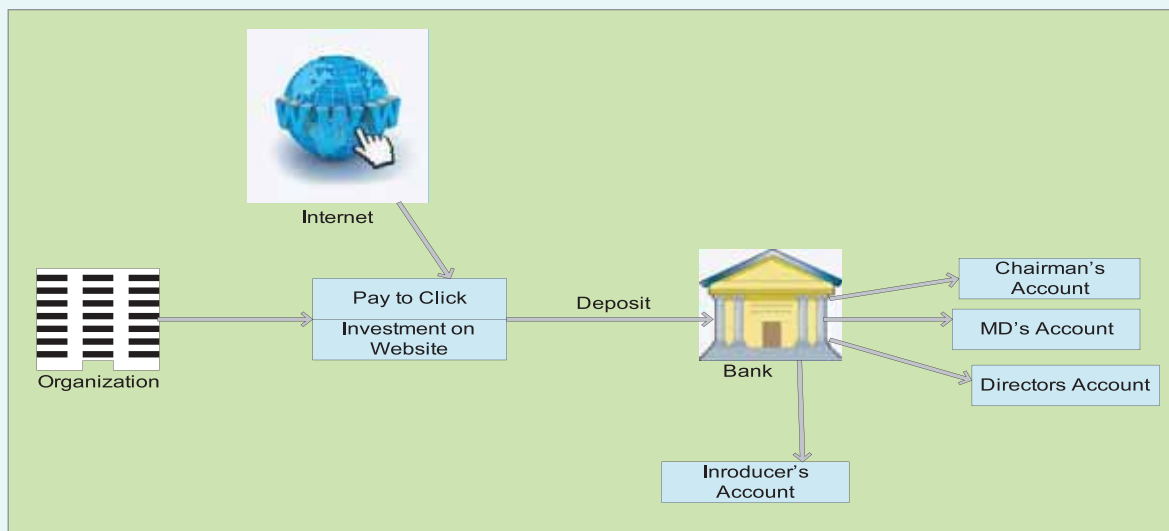
Offence	Fraud
Customer	Individual Business
Industry	Co-operative society, Education, Capital Market and Service
Channel	Electronic
Report Type	Complain
Jurisdiction	National
Designated Services	Co-operative Services
Indicators	Collect money from customers by offering unusual profit Fund divert



Case 8: Syndicate used internet based package to collect public fund.

A company took its license from the Registrar of Joint Stock Companies & Firms for the business of export-import and general suppliers. MLM based business was another scope of business among the other business provisions according to the Memorandum of Article of Association of the organization. After registered, they started MLM based outsourcing business. In the name of web based marketing business, they collected thousands of members who paid either \$100 or \$200 equivalent BDT each as per the subscription packages. Their products were known as “pay to click/click to earn” and “investment on websites”. The company told the members that a member would get \$ 1 per day for the \$100 package and \$2 for the \$200 package respectively through the next 6 months of membership, if he clicked 100 links of advertisements per day from some listed websites. Thus the members would have been able to double their investments in just 6 months according to the company's commitment. Furthermore, the company used to give incentives if a member can collect more members. This became very popular among the general people, especially young and the students that time as they were getting an outrageous yield by almost doing nothing. As a result, the company was able to collect more than hundred thousands of members within just 6 months of starting business. In this stage the company started to show reluctance to repay their members. Members came to know that the chairman and managing director of the company were preparing to flee away with all the money. Agitated people vandalized the company's office and caught the chairman and MD red handedly and handed over the culprits to the police. BFIU came to know about the crime when this was published in various popular daily newspapers and other electronic media. Meanwhile, transactions made by the company, its chairman along with the introducer of company seemed to be suspicious to a bank and it lodged an STR to BFIU. After a scrupulous investigation, BFIU came to know that the directors of the company were involved in illegal pyramid scheme MLM business and collected a huge amount of money from general public fraudulently. BFIU also suspected that the real beneficiary of the company was the introducer of the company's account and his wife themselves. They also did layering to hide the source of the money in their numbers of related bank accounts. BFIU froze the accounts in exercising the power conferred by the section 23(1)(c) of the MLPA,2012 and sent the case to the ACC for thorough investigation for further legal actions.

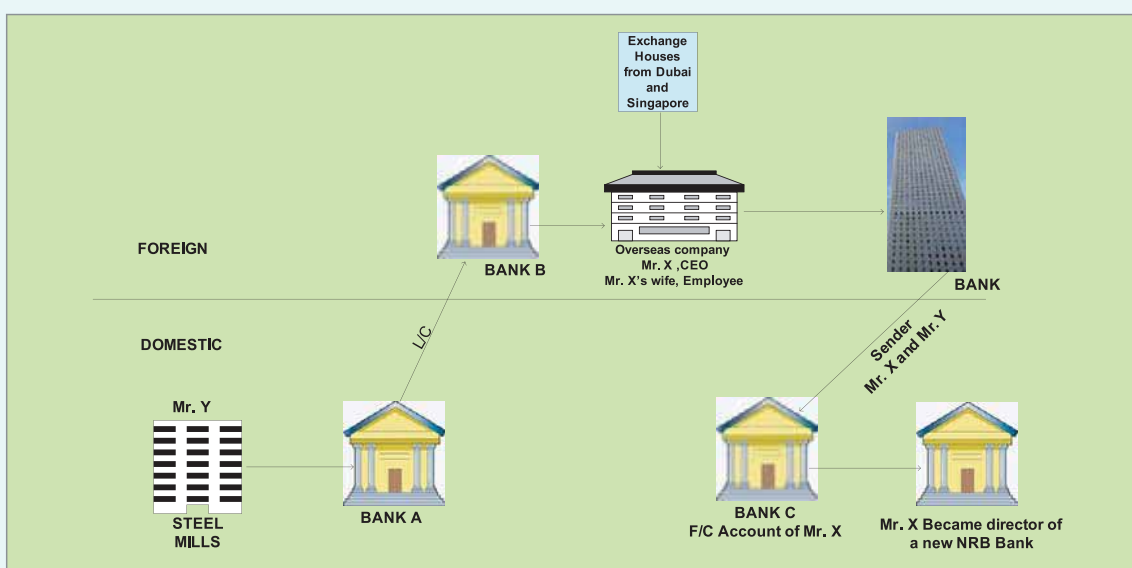
Offence	Fraud, Embezzlement of public fund
Customer	Business Individual
Industry	Bank
Channel	Electronic
Report Type	STR
Jurisdiction	National
Designated Services	Internet based Services
Indicators	Unusual transaction, Transaction did not match with the nature of business



Case 9: Suspect sent fund through over invoicing and remitted the fund to take advantage

Mr. X was a senior banker of a Commercial Bank in Bangladesh and was working in its Exchange House operating in a foreign country. Mr. Y a Bangladeshi industrialist, owner of two steel mills, appointed the banker as CEO of his overseas company (registered in a foreign country). The banker neither resigned from his previous job nor informed to his employer bank, rather, was working secretly with the foreign company. The banker's wife was also an employee of that foreign company. To establish the foreign company, money was sent from exchange houses in Dubai and Singapore. Furthermore, there was an import related complaint about the steel mill owner. Relevant information was collected from banks and customs house and it was revealed that Bangladeshi still companies opened seven L/Cs amounting USD 67 million (Approx) to import raw materials and the exporter was that foreign company. It was also found that the banker's wife signed the pro forma Invoice in favor of the foreign company against the L/Cs opened with Bangladeshi steel companies. Again, the senior banker opened a foreign currency (FC) account in Bangladesh and in this regard, the industrialist became the introducer of that account, indicated a beneficial relationship with them. To be a director of an NRB bank, non-resident Bangladeshi must have to send foreign remittance through banking channel. The senior banker sent foreign currency to his FC account from abroad but the SWIFT messages showed that sender of the remittance were both the senior banker and the said industrialist. Afterward, the banker became a director of a newly opened NRB bank in Bangladesh. The relation between the banker and the industrialist was found dubious in the investigation and probably the senior banker was a dummy director of that bank. There was every chance of over invoicing by which money sent to the foreign country and again back to the senior bankers FC account. Finally, all the relevant papers were sent to Ministry of Finance as per their request and the case was sent to Anti Corruption Commission (ACC) for further investigation and necessary legal actions as per MLPA 2012.

Offence	Smuggling money or property earned through legal or illegal means to a foreign country
Customer	Individual, Business
Industry	Steel, Bank
Channel	Electronic
Report Type	Complain
Jurisdiction	National, International
Designated Services	Export-Import
Indicators	Unusual transaction, Transaction did not match with the nature of business

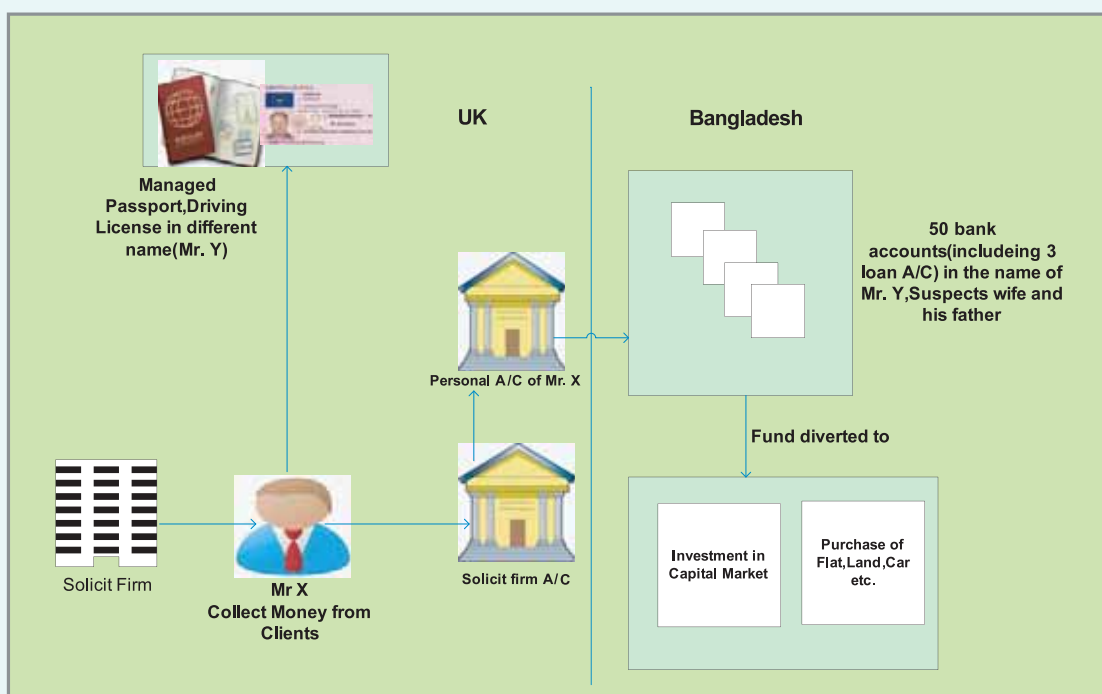


Case 10: Fraudster remit illegally obtained fund to Bangladesh

A Bangladeshi national (Mr. X) working as an office manager in a soliciting business firm in London, UK submitted 13 fraudulent mortgage applications and earned GBP 5 million. He managed this amount of money by representing false information and abusing his position in the solicit farm. Mr. X created false certificates of title, which were same as the legal document to persuade the mortgage lenders to release the mortgage fund into a client account held by his employer i.e. the said solicitor company where he was working. Once the money was paid into the said solicitor company, he transferred the funds to various UK Bank account operated by him (both personal and business) and then to number of other bank accounts held overseas (Bangladesh). Later on he was staying in disguise by managing a passport and a driving license in a different name Mr. Y. Later, His fraudulent activities were revealed and he was arrested in UK. The Metropolitan Police Service Fraud Squad was investigating the case and found that the money earned through fraud was transferred to Bangladesh. Then UK Home Office requested Bangladesh for a Mutual Legal Assistance related to the case. Ministry of Home Affairs sent the case to BFIU. In the above context, BFIU conducted primary investigation and found total 50 bank accounts operated in the name of Mr. Y, the suspect's wife and his father in Bangladesh. There were 44 Saving Accounts with BDT 87.10 million, 3 foreign currency A/C with GBP 2,32,771.84, 3 Loan A/C with BDT 20.50 million.

BFIU Investigators found that the remittance (BDT 140 million) was sent from UK through Wall Street Forex London Ltd (An exchange House of UK) to Bangladesh in several commercial banks. Then the money were transferred to various Bank accounts in the name of his wife and father. Again it was found that in the name of Mr. Y, suspect bought shares worth BDT 20.00 million of a power generating Company. The money was also paid to purchase Flat, Furniture, Car and Land and some money were kept as FDR. According to Banking record and transaction Pattern, the transaction seemed suspicious to BFIU. Then as per the power conferred by section 23(1)(GA) of Money Laundering Prevention Act, 2012, BFIU Suspended the withdrawal of fund . Afterward a report was prepared based on the information obtained from banks and has been subsequently sent to ACC as per the power conferred by section 9(1) of Money Laundering Prevention Act, 2012 and Ministry of Home affairs for further investigation and necessary legal actions respectively.

Offence	Fraud, Embezzlement of public money
Customer	Business Individual
Industry	Soliciting business firm, Bank
Channel	Electronic
Report Type	Mutual Legal Assistance
Jurisdiction	International
Designated Services	Soliciting service
Indicators	Unusual fund transfer Fake identity



List of Abbreviations

ACC	Anti Corruption Commission
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
AMLDD	Anti-Money Laundering Department
APG	Asia Pacific Group on Money Laundering
AP-RRG	Asia Pacific Regional review Group
ATA	Anti Terrorism Act
ATO	Anti Terrorism Ordinance
AUSTRAC	Australian Transaction and Report Analysis Center
BACH	Bangladesh Automated Clearing House
BB	Bangladesh Bank
BBTA	Bangladesh Bank Training Academy
BIMSTEC	Bay of Bengal Initiatives for Multi-Sectoral Technical and Economic Co-operation
BDT	Bangladesh Taka
BFIU	Bangladesh Financial Intelligence Unit
BSA	Bangladesh Standard Accounting
BSEC	Bangladesh Securities and Exchange Commission
BAMLCO	Branch Anti Money Laundering Compliance Officer
CAMLCO	Chief Anti Money Laundering Compliance Officer
CCU	Central Compliance Unit
CD	Current Deposit
CIB	Credit information Bureau
CDD	Customer Due Diligence
CEO	Chief Executive Officer
CID	Criminal Investigation Department
COSP	Conference of the State Parties
CSE	Chittagong Stock Exchange
CTITF	Counter Terrorism Implementation Task Force
CTR	Cash Transaction Report
DGFI	Directorate General of Forces Intelligence
DNFBP	Designated Non-Financial Businesses and Professions
DSE	Dhaka Stock Exchange
DSS	Department of Social Service
EDD	Enhanced Due Diligence

EFT	Electronic Fund Transfer
EFTN	Electronic Fund Transfer Network
ESW	Egmont Secure Web
FATF	Financial Action Task Force
FC	Foreign Currency
FCBs	Foreign Commercial Banks
FDR	Fixed Deposit Receipt
FI	Financial Institution
FIR	First Information Report
FIU	Financial Intelligence Unit
FSRB	FATF Style Regional Body
GoB	Government of Bangladesh
ICAB	Institute of Chartered Accountants of Bangladesh
ICRG	International Cooperation and Review Group
IDRA	Insurance Development and Regulatory Authority
IMF	International Monetary Fund
IPO	Initial Public Offering
IT	Information Technology
ITP	Independent Testing Procedure
JWG -CTTC	Joint Working Group on Counter-Terrorism and Crime
KYC	Know Your Customer
LC	Letter of Credit
ME	Mutual Evaluation
MER	Mutual Evaluation Report
MFI	Micro-Finance Institutions
MIS	Management Information System
ML	Money Laundering
MLA	Mutual Legal Assistance
MLPA	Money Laundering Prevention Act
MLM	Multi Level Marketing
MLPO	Money Laundering Prevention Ordinance
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoU	Memorandum of Understanding
MRA	Micro Credit Regulatory Authority

NBR	National Board of Revenue
NBFIs	Non-Bank Financial Institutions
NC	Non Compliant
NCBs	Nationalized Commercial Banks
NCC	National Coordination Committee
NGOs	Non Government Organizations
NPOs	Non Profit Organizations
NRB	Non Resident Bangladeshi
NSI	National Security Intelligence
PC	Partially Compliant
PCBs	Private Commercial Banks
PEPs	Politically Exposed Persons
PF	Proliferation Financing
REHAB	Real Estate and Housing Association of Bangladesh
SAR	Suspicious Activity Report
SARISA	Strengthening AML/CFT Regulation in South Asia
SG-CFT	Sub Group on Combating Financing of Terrorism
SRB	Self Regulatory Body
SRO	Statutory Regulatory order
StAR	Stolen Asset Recovery
STR	Suspicious Transaction Report
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TC	Technical Compliance
TF	Terrorist Financing
ToR	Terms of Reference
TP	Transaction Profile
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNSCR	United Nations Security Council Resolutions
UNODC	United Nations Office on Drugs and Crime
USD	United States Dollar
USDOJ	United States Department of Justice
UV	Ultra Violet
WC	Working Committee

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