

সাউথ বাংলা এগ্রিকালচার এ্যান্ড কমার্স ব্যাংক লিঃ



## **MONEY LAUNDERING & TERRORIST FINANCING RISK MANAGEMENT GUIDELINE**

**March, 02, 2022**

**Anti- Money Laundering Department (AMLD)  
SBAC Bank Limited  
BSC Tower  
2-3 Rajuk Avenue, Motijheel,  
Dhaka-1000  
BANGALDESH**

**Approved by Board of Directors of the Board on March 02, 2022**

## **SBAC Bank Money Laundering & Terrorist Financing Risk Management GUIDELINE**

(Applicable for all branches and its subsidiaries)

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Policy Owner	: CAMLCO
Risk Control Area	: Money Laundering, Terrorist Financing & Proliferation of Weapons of Mass Destruction
Business Scope	: Retail & SME Banking, Corporate Banking, Treasury, Securities, Asset Management, Investments, Trade Finance, Correspondent Banking.
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Geographic Scope	: SBACBL Branches, Off-Shore Banking Unit and Subsidiaries at Home & Abroad
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# **SBACBL Money Laundering (ML) and Terrorist Financing (TF) Risk management Guideline**

## **PART-A (Governance)**

### **1. Introduction**

- 1.1 South Bangla Agriculture and Commerce Bank Limited (SBACBL) is committed to complying with all applicable laws, regulations, accounting standards, internal controls, and audit practices. SBACBL is and wishes to be seen by all as having a high ethical standard and maintaining a culture of honesty and does not tolerate financial crimes like money laundering, terrorist financing, fraud, corruption, theft or dishonesty.
- 1.2 The objective of having this Money Laundering and Terrorist Financing Risk management GUIDELINE (hereinafter referred to as “AML Policy” in short) is to safeguard the proper use of SBACBL’s brand, finances and resources including that of its subsidiary companies against money laundering and terrorist financing risks and to comply with the relevant laws regulations.
- 1.3 This document sets out SBACBL’s policy and procedures for dealing with the risks of money laundering and terrorist financing and is applicable for all its business, offices, branches, operations, sales and service centers and abroad.

### **2. Purpose & Scope**

- 2.1 The Board of Directors of SBACBL has adopted this AML Policy with immediate effect. It is applicable to all persons employed by or working for SBACBL in any capacity including contractors, consultants, internees and vendor staff working in SBACBL. This policy replaces & supersedes the existing SBACBL AML & CFT GUIDELINE 2018. Customer Acceptance Policy 2018 (CAP) & Policy on Know Your Customer 2018 (KYC).
- 2.2 This Policy is intended to lay down a well-balanced compliance program that will help ensure that SBACBL’s organizational structure, people, processes and technology work in harmony to manage money laundering and terrorist financing risks, keep customers happy, grow the business, oversee vendors, and achieve numerous other goals.
- 2.3 This AML Policy consist of two integral parts. Part A defines the governance around AML & CFT compliance program of SBACBL while Part B deals with compliance procedures of AML & CFT program
- 2.4 The purpose and scope of this AML Policy is to:
  - 2.4.1 Define a Governance Framework to ensure there is appropriate oversight of money laundering and terrorist financing risks;
  - 2.4.2 Identify key internal stakeholders i.e. Retail, SME & Corporate business, Treasury, Operations, Branches, Sales & Service Centers, CRM, IT, HR, AMLD and subsidiary companies at home & abroad and establish their roles and responsibilities with clear accountability;
  - 2.4.3 Standardize operational process flows for KYC/CDD/EDD, Screening, Transaction Monitoring, Self-Assessment, CTR & SAR/STR reporting etc.
  - 2.4.4 Define and document money laundering and terrorist financing risk assessment processes;
  - 2.4.5 Combat financing of terrorism and financing of proliferation of weapons of mass destruction.

### **3. AML & CFT Governance Framework**

#### **3.1 Three Lines of Defence (3LoD)**

The money laundering and terrorist financing risks as a sub-set of Operational Risks need to be addressed in accordance with the “three lines of defence (3LoD)” model to managing operational risk.

For SBACBL, the three lines of defence model works as set out below.

#### **3.2 The First Line of Defence: The Business Segments, Operations & Treasury**

All staff of SBACBL irrespective of which department they work are responsible for managing money laundering and terrorist financing risks within the scope of their direct job responsibilities and must comply with the requirements of this AML Policy.

The businesses organized into Corporate, Retail & SME Customer segments, Treasury and the Operations Division together comprise the first line of defence and have ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. The Heads of each of these Business and Division are responsible for implementing the requirements of this AML Policy in their respective segments & divisions and must;

3.2.1 Allocate clear responsibility to front/mid/back/office staff for completing CDD records;

3.2.2 The Customer Segment Heads are responsible for defining customer segment specific CDD procedures as set out in Part B of this AML Policy. These must be submitted to the Central Compliance Committee (Triple C) through Deputy CAMLCO for approval;

3.2.3 Document Detailed Operating Instructions (DOIs)/Standard Operating Procedures (SOP) in line with this AML Policy and the respective customer segment procedures and;

3.2.3.1 Ensure the DOIs/SOPs comply with the requirements of this AML Policy and additional CDD client segment procedures;

3.2.3.2 Ensure that staff responsible for CDD comply with the Procedures;

3.2.3.3 Define metrics measuring the quality of CDD files;

3.2.3.4 Define and implement requirements for collecting, reviewing and analyzing Management information to monitor the effectiveness of their processes, so as to ensure that this AML Policy and the relevant DOIs/SOPs are being complied with.

#### **3.3 The Second Line of Defence: The Control Functions: AMLD, RMD, BRM, HR, & IT**

The second line of defence is independent from the businesses and comprises of all the control functions of the Bank: AML Department (AMLD), Risk Management Department (RMD), HR, IT, Business Risk Management (BRM) and other control functions of the Bank. It has the authority to challenge and stop business activities where risks are not aligned with control requirements or risk appetite of the Bank.

The Deputy CAMLCO is the designated Risk Control Owner for money laundering and terrorist financing risks. The AML Compliance Department, and key individuals within it, will act as the second line of defence as follows:

3.3.1 The Deputy CAMLCO is responsible for defining and maintaining this Policy including ensuring the proper management, review and monitoring of all dispensations/deferrals;

3.3.2 The Deputy CAMLCO and the BRM team of Retail Banking are responsible for testing compliance with this AML Policy.

### 3.4 The Third Line of Defence: Internal Audit

The third line of defence comprises the independent assurance provided by the Internal Audit (IA) function. IA provides independent assurance that the overall system of control effectiveness is working, both in terms of the effectiveness of management's control of its own business activities (the first line) and of the processes maintained by the second line of defence.

- 3.4.1 Board of Directors, Managing Director & CEO and Senior Executives of SBACBL will play effective roles and responsibilities as mandated in the regulations to strengthen AML & CFT compliance program of the Bank.
- 3.4.2 The Managing Director & CEO shall annually broadcast to all employees a specific and effective commitment to prevent money laundering and terrorist financing and shall direct all employees to implement the commitment. MD & CEO will review the overall compliance and control environment of SBACBL based on half yearly Reports received from Central Compliance Committee (Triple C) and when any significant emerging AML/CFT risks or regulatory changes arise.
- 3.4.3 Every employee and other persons working in SBACBL are responsible for managing money laundering and terrorist financing risk and preventing SBACBL from being used for such financial crimes.
- 3.4.4 SBACBL's expectation on propriety and accountability is that Senior Management and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, policies, procedures and best practices. All references to senior management / managers in this document are to mean managers in the broadest sense from the lowest to highest levels, including those with the job titles of MD, AMD and DMD.
- 3.4.5 The senior management must be seen to implement Bank's policies that encourage ethical behavior processes for employees, customers, vendors, and other third parties to report instances where those standards are not met. They should also monitor the organization's money laundering and terrorist financing risk management effectiveness, which should be a regular item on its agenda. To this end, the Chief Anti Money Laundering Compliance Officer should periodically update the Triple C/MANCOM/Audit Committee/ Board on the status of compliance.
- 3.4.6 Each Management Committee (MANCOM) member should ensure that his/her own governance practices set the right tone and control environment as corporate culture is influenced by senior management's philosophy, operating style, integrity, ethical values and commitment to competence.
- 3.4.7 Each Head of business/function/branch must ensure that it has Detailed Operating Instructions (DOIs)/Standard Operating Procedures (SOPs) designed with appropriate controls to mitigate money laundering & terrorist financing risks and that regulatory and business requirements are built into their self-assessment and other management processes.
- 3.4.8 All Relationship Managers (RM), Branch Managers, BAMLCO, Credit/Prepaid Card Relationship Managers and Branch Customer service Officer(s) are primarily responsible for Identification, Due Diligence and Verifications (ID & V) and Assessing Risk Rating of all new Customers at the point of on-boarding, and are responsible for keeping it up to date. That may delegate their responsibilities to an appropriate person when on leave or in exceptional circumstances however, they cannot delegate ACCOUNTIBILITY.

- 3.4.9 All Operations Staff/Managers involved in customer acceptance, static data changes, remittances, fund transfers and trade operations are responsible for ensuring necessary checks, controls and approvals required are in place. The relevant DOIs/SOPs must include the requirement and process to perform an independent check of each case or transaction to ensure completeness and quality.
- 3.4.10 Chief Anti-Money Laundering Compliance Officer (CAMLCO), Deputy CAMLCO as well as AML & CFT Compliance Officer(s) are authorized and have full capacity to act independently in order to fulfill the requirements/commitments of their respective roles as well as receive any information/documents necessary from internal stake holders (defined in section 3.4.8 & 3.4.9 above) including confidential matters to carry out their compliance functions of SBACBL.

#### **4. Compliance Organization Structure**

##### **4.1 Central Compliance Committee (Triple C)**

The Central Compliance Committee (Triple C) is comprised of the Heads of Treasury, Credit, Operations, ICT Division, Cards, CAD, International Division and Human Resources Division as members. The Triple C is led by the Chief Anti Money Laundering Compliance Officer (CAMLCO) in the grade of DMD as prescribed by BFIU).

##### **4.1.1 Role of Triple C**

- 4.1.1.1 Define and develop AML / CFT Compliance Policies, Strategies & Programs aligned with International and national standards and regulations and evaluate the same from time to time.
- 4.1.1.2 Supervise the effective implementation of AML/CFT annual program of Anti-Money Laundering Department (AMLDD) jointly with CAMLCO.
- 4.1.1.3 Meet at least quarterly to review policies, assess overall compliance status of SBACBL and issue directives in this regard.
- 4.1.1.4 Submit half yearly Reports to MD & CEO on material events related to management and mitigation of ML & TF risks in SBACBL and progress of implementation of AML/CFT related measures with its recommendations. The report shall contain information on incidents (half yearly self-assessment report of branches) and/or outlined areas that need improvement and where there are deficiencies or proposals for improvement, a plan showing how these are to be handled. The report along with instruction and opinion of the CEO need to be presented to the Board and copy of the same to be sent to BFIU within 2 months.
- 4.1.1.5 Direct AMLDD to issue instructions for adherence by branches and various departments of SBACBL relating to policy & procedures on KYC/CDD/EDD, Transaction Monitoring/Screening etc.
- 4.1.1.6 Nominate BAMLCOs/DAMLCOs having requisite skillsets, experience & rank.

##### **4.2 Roles & Responsibilities of Chief Anti-Money Laundering Compliance Officer (CAMLCO)**

- 4.2.1 CAMLCO is responsible for overseeing SBACBL's AML & CFT governance framework.
- 4.2.2 Support Triple C in preparation and review of AML/CFT Policy and Program;
- 4.2.3 Overseeing communication and training for all employees of the Bank;
- 4.2.4 Providing AML/CFT risk and governance expertise, guidance and educational support to Deputy CAMLCO/AML & CFT Compliance Officers and other stakeholders in head office, branches and subsidiaries to enhance the control and compliance environment.



- 4.2.5 Ensuring Half Yearly Report of “Triple C” is duly submitted to MD & CEO, Board & BFIU;
- 4.2.6 Receiving and carrying out directions or orders issued by Regulatory Authorities;
- 4.2.7 Coordinating with BFIU and other regulatory bodies and law enforcement agencies in respect of suspicious activity reporting. CTR reporting and others as required.

### **4.3 Anti-Money Laundering Department (AMLDD)**

4.3.1 Anti-Money Laundering Department (AMLDD) of SBACBL serves as the compliance function of the Bank to ensure that SBACBL complies with applicable laws, regulations, rules and its own policies and procedures. AMLDD is led by Deputy Chief Anti Money Laundering Compliance Officer (Deputy CAMLCO) and have specifically dedicated subordinate staff as AML&CFT Compliance Officers. AMLDD also serves as the executive arm of Triple C.

The functions of Anti-Money Laundering Department (AMLDD) are as follows:

- 4.3.2 Receiving and carrying out directions issued by Triple ‘C’ and Chief Anti-Money Laundering Compliance Officer (CAMLCO), BFIU and relevant Authorities;
- 4.3.2 Receiving and carrying out directions issued by Triple ‘C’ and Chief Anti- Money Laundering Compliance Officer (CAMLCO), BFIU and relevant Authorities;
- 4.3.3 Monitoring compliance and adherence to applicable laws, regulations, rules, GUIDELINES and SBACBL’s own policies and procedures by all internal stake holders;
- 4.3.4 Receiving and investigating suspicious activity/transaction reports (SAR/STR);
- 4.3.5 Adopting a risk-based approach to monitor customer activity to identify suspicious activity;
- 4.3.6 Ensuring that proper AML & CFT records are maintained;
- 4.3.7 Reporting suspicious activity to BFIU;
- 4.3.8 Analyzing the Cash Transaction Report (CTR) centrally to identify suspicious transactions & reporting thereof;
- 4.3.9 Evaluating Self-Assessment Reports received from the branches and AML Audit Report from Internal Audit and prepare Half Yearly Report on AML/CFT activities for submission to Triple C.

### **4.4 Role & Responsibilities of Deputy CAMLCO**

- 4.4.1 Deputy CAMLCO is the first point of contact for any AML/CFT/KYC/CDD issues of SBACBL;
- 4.4.2 Deputy CAMLCO is responsible for overseeing the Compliance functions;
- 4.4.3 Act as principal interface between the internal stakeholders and Compliance resources;
- 4.4.4 Monitor developments and regulatory changes, ensure internal stakeholders and Compliance management are kept informed of them and advised of any necessary action;
- 4.4.5 Provide advice on AML/CFT issues to all the internal stakeholders and other key individuals in the Bank to enhance the control compliance environment;
- 4.4.6 Evaluate and investigate suspicious activity/transaction reports and recommend to CAMLCO for filing SAR/STR to BFIU if deemed appropriate and arrange to preserve all such SAR/STR reports;

- 4.4.7 Coordinate with BFIU, other regulatory bodies and law enforcement agencies in respect of suspicious activity reporting, Cash Transaction Report, & any others matters as required;
- 4.4.8 Maintain an effective communication across the Bank, through prudent reporting and escalation of serious risk vulnerabilities, control gaps or failures to Triple C;
- 4.4.9 Supervising Transaction Monitoring & Sanction Screening;
- 4.4.10 Evaluate Self-Assessment Reports received from the branches and AML Audit Report from Internal Audit and prepare Half Yearly Report on AML/CFT activities for submission to Triple C, and MD CEO considering the following aspects;
  - 4.4.10.1 Total number of branches and total number of Self-Assessment reports received from branches.
  - 4.4.10.2 Number of branches inspected/audited by Internal Audit Department and the compliance status of those branches (branch wise received score) during the reporting period;
  - 4.4.10.3 Repeat irregularities identified by Internal Audit and measures taken to prevent recurrence;
  - 4.4.10.4 Common and exceptional irregularities identified by Internal Audit and measures taken to prevent recurrence;
  - 4.4.10.5 Measures taken to uplift the branches that are evaluated a 'unsatisfactory' and 'marginal' in the audit report
  - 4.4.10.6 Audit branches by AMLD or Internal Audit if high risk issues identified during Self-Assessment exercise.
  - 4.4.10.7 Prepare annual AML/CFT training calendar and arrange & conduct training an AML/CFT for all level of employees in collaboration with HRD.

#### **4.5 Role of Branch Anti-Money Laundering Compliance Officer (BAMLCO)**

- 4.5.1 BAMLCO is the first point of contact for any AML/CFT/KYC/CDD issues of the Branch;
- 4.5.2 BAMLCO must be familiar with the requirements under the BFIU Circular # 19, dated 17 September 2017 and subsequent circulars of BFIU as well as the AML Policy, procedure and processes of SBACBL;
- 4.5.3 Create awareness about AML/CFT activities of the Branch through internal training and discussion on MLPA 2012 and ATA 2009, BFIU Circular # 19 and subsequent circulars issued by BFIU;
- 4.5.4 Share the changes in AML/CFT regulations, circulars, GUIDELINES and policies with Branch colleagues;
- 4.5.5 Ensure that proper CDD/EDD procedures have been followed before opening any types of accounts such as savings, current, fixed deposits, loans, guarantees. Credit or Prepaid Cards as applicable BAMLCO will give justification in KYC form and Loan and Credit Card Analysis will recheck that justification before giving recommendation for approval and Retail Risk/Cards Operations will preserve those record with Loan/Card applications;
- 4.5.6 Ensure customers are classified on risk based categorization. Keep count of the number of high risk accounts opened in the Branch and measures taken to open and transact in such accounts;
- 4.5.7 Ensure Screening of local & international sanction list;
- 4.5.8 Ongoing Transaction Monitoring & Identification and reporting of Suspicious Transaction or Activity Report;

- 4.5.9 Ensure all recommendations provided in the BFIU AML inspection reports or internal audit reports have been implemented;
- 4.5.10 Responsible to keep track of the training attended by each staff/officers working in the branch;
- 4.5.11 Liaise with Deputy CAMLCO for AML, CFT, Sanctions related issues;
- 4.5.12 Hold quarterly meeting on preventing money laundering and terrorist financing with the relevant branch staff, and upon reviewing compliance of the existing laws, rules & regulations, and BFIU instructions on money laundering and terrorist financing, shall take appropriate actions; Submit the quarterly meeting minutes to AMLD;
- 4.5.13 Identify structuring of transactions & file SAR/STR;
- 4.5.14 Review monthly CTR to identify unusual transactions and report STR/SAR;
- 4.5.15 Retain all types of documents as applicable for 5 years after closing the relationship;
- 4.5.16 Evaluate the AML/CFT status of the Branch by conducting Self-Assessment using the checklist (Annexure A: Self-Assessment) on a half yearly basis;
- 4.5.17 The draft Self-Assessment Report to be discussed and finalized in a Branch meeting presided over by the Branch Manager and attended by all concerned staff of the branch issues identified in the Report possible to solve at the branch level to be rectified without any delay to finalize. All open items to be tracked and the status of closure updated in the subsequent quarterly Branch meetings until resolved.
- 4.5.18 After the end of every half year, the branch evaluation report along with the measures taken by the branch in this regard and adopted recommendations regarding the issues shall be submitted to the Internal Audit of the Head Office and AMLD within the 15<sup>th</sup> of the next month.

#### **4.6. Role of Department Anti-Money Laundering Compliance Officer DAMLCO)**

- 4.6.1 DAMLCO is the first point of contact in case of any AML/CFT/KYC/CDD issues of the concerned department. They must be familiar with the requirements under the BFIU Circular # 19 and other policy and procedure of AML/CFT;
- 4.6.2 Create awareness about AML/CFT activities in department through departmental training and discussions on MLPA 2012 and ATA 2009, BFIU Circular # 26 dated 16June 2020;
- 4.6.3 Share the changes in AML/CFT risks related to concerned department and take necessary measures to mitigate the risk issues. Report SARs/STRs to Deputy CAMLCO and keep record;
- 4.6.4 Identify and understand the AML/CFT risks related to concerned department and take necessary measures to mitigate the risk issues. Report SARs/STRs to Deputy CAMLCO and keep record;
- 4.6.5 Responsible to keep track of the training attended by each staff/officers working in the department;
- 4.6.6 Arrange and conduct meeting on AML issues in the department at regular intervals at least once in each quarter. Send the meeting minutes to Deputy CAMLCO within 7 days and keep record of the dates and minutes of the meeting;
- 4.6.7 Liaise with Deputy Chief Anti Money Laundering Compliance Officer (Deputy CAMLCO), for AML, CFT, Sanctions related issues.

## **5. Definition of Customer**

'Customer' for the purpose of Money Laundering & Terrorist Financing risk management shall mean;

5.1 Any Individual or Entity maintaining any type of account or having any business relationship with the SBACBL;

5.2 Beneficial Owner (BO) of a bank account or business relationship is the person who actually enjoys the services or benefits directly or indirectly and on whose behalf the bank account or business relationship is conducted;

*\*Beneficial Owner of a bank account or business relationship is the person who directly or indirectly owns 20% or more of the equity interests of a legal entity customer and /or a single individual with significant responsibility to control, manage, or direct a legal entity customer, including an executive officer or senior manager (e.g. a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Partner, Chairman, President, Vice President, or Treasurer);*

5.3 Any professional intermediary (Lawyer, Legal Consultancy Firm, Chartered Accountant etc.), appointed to operate the account of any account holder, Trust or beneficial owner, within the existing legal framework;

5.4 Any walkin customer whether Individual or Entity who conducts occasional transaction of high value which may pose reputational and other risk to SBACBL;

5.5 Any individual or entity defined as "customer" by BFIU from time to time.

## **6. Customer Acceptance Policy (CAP)**

SBACBL will not establish new relationships, open new accounts, undertake one-off transactions, maintain existing relationships or accounts, or otherwise conduct business with;

6.1 Shell Banks, unlicensed banks, or any Financial Institution that has a relationship with Shell Banks or unlicensed banks.

6.2 Unlicensed Money Service Bureaus/Money Exchange Houses;

6.3 Digital currency providers;

6.4 Unlicensed gambling business;

6.5 Offshore Trust & Company Service Providers;

6.6 Sensitive Charities;

6.7 Individuals or entities prohibited under Sanctions imposed by UNSCR, OFAC, EU, UK, Canada, Australia, Bangladesh Governments, BFIU, and SBACBL's own black list Sanctions;

6.8 Entities that are more than 20% owned or otherwise controlled by Sanctioned Parties;

6.9 Entities that are incorporated or operate in a Sanctioned Country (as defined in the UNSCR & OFAC Sanctions Policy and Procedures); or

6.10 Mercenaries, arms dealers and intermediary brokers, including other arms dealers acting as intermediaries that are not publicly traded or well established and reputable;

6.11 Individuals or entities that are known or strongly suspected of involvement in Money Laundering or Terrorist Financing;

6.12 Persons who wish to establish anonymity through numbered accounts or other means, including fictitious names;

6.13 Persons who cannot or will not provide adequate information to satisfy reasonable enquiry or fails to comply with the AML Regulations and Procedures;

6.14 Instructions given by BFIU from time to time regarding prohibited customers shall be followed.

## **7. Customer Confidentiality**

7.1 In the course of working with SBACBL, employees may create, receive, know of or gain access to information that is confidential and/or proprietary.

7.2 Confidential and proprietary information may be in a physical form (on paper, in an e-mail, on a computer system, videotape, etc.) or may be knowledge acquired through conversations to which employees are a party or that employees overhear.

7.3 Confidential information includes information or data contained in Customer's Account Opening File as well as in transaction media and various systems of SBACBL also non-public information about the customers of SBACBL that all employees are expected to safeguard from disclosure to the public

7.4 As a general rule, all employees should presume that any information they receive about SBACBL or its customers is confidential and, therefore, should be protected from disclosure. Employees have an obligation to safeguard confidential information, whether generated internally or acquired from other sources, and to use it only in the performance of their employment responsibilities.

7.5 Confidential information may be communicated only to those persons who need to know it for a legitimate business purpose.

7.6 Tipping off or disclosure of suspicious transaction/activity reporting to BFIU is a punishable offence under section 6(3) of Money Laundering Prevention Act, 2012. Strict confidentiality of sensitive information requested by BFIU at different times must be maintained.

## **8. Bangladesh Financial Intelligence Unit (BFIU) Feedback**

8.1 BFIU is the main AML & CFT regulator, BFIU's role is to monitor Banks and other Reporting Organization's compliance with the AML/CFT legislation, rules and regulations/ GUIDELINES/ circulars issued by BFIU in this regard;

8.2 BFIU may provide SBACBL with feedback in respect of its performance on the management of ML/TF risk. BFIU also has the power to compel SBACBL to produce certain information & documents;

8.3 The receipt of any notice, circular, direction or recommendation from BFIU will be immediately referred to the CAMLCO/Deputy CAMLCO;

### **8.4 BFIU Directives Include**

8.4.1 To compel production of information or documents;

8.4.2 To enter premises for Inspection;

8.4.3 To require an external audit or AML & CFT risk assessment;

8.4.4 To provide remedial direction; and

8.4.5 To accept enforceable undertakings.

- 8.5 The CAMLCO, Deputy CAMLCO as well as AML & CFT Compliance Officer (s), in conjunction with employees of the concerned departments, will take steps necessary to comply with any feedback, notice, orders, warrants etc. or to implement any directions issued by BFIU;
- 8.6 Deputy CAMLCO/AML & CFT Compliance Officer(s) will prepare appropriate reports for BFIU. Reports required by law or by BFIU will be forwarded within the period specified in such law or any notice or order or if BFIU allows a longer period, that longer period.
- 8.7 The CAMLCO, Deputy CAMLCO as well as AML & CFT Compliance Officer (s) will have due regard to any feedback provided by BFIU in respect of SBACBL's performance in managing its ML/TF risks. Such feedback will be incorporated into ongoing monitoring programs and the AML & CFT Program will be amended (where appropriate);
- 8.8 The CAMLCO will be responsible for the implementation of any specific recommendations made by BFIU to SBACBL in respect of its ML/TF risk management performance;
- 8.9 Deputy CAMLCO/AML & CFT Compliance Officer (s) will monitor BFIU information sources, circulars, and guidance notes, in respect of domestic and international issues which may affect the business. This includes financial sanctions and updates to lists of terrorist groups;

## **PART-B (Compliance Procedures)**

### **1. AML & CFT Compliance**

- 1.1 Part B of this AML Policy sets out the operational aspects of AML & CFT compliance procedures of SBACBL as an easy reference handbook. It defines the minimum standards for compliance covering most of the processes. However, for a complete understanding of all the requirements, please refer to the Money Laundering Prevention Act 2012, Anti-Terrorism Act 2009, Money Laundering Prevention Rules 2019, Anti-Terrorism Rules 2013 and BFIU Circular # 19 and subsequent Circulars and GUIDELINE of BFIU.
- 1.2 These procedures are effective as of October 2019. The period for implementing these procedures runs until 31 December 2019. All business segments and operations division must have implemented these procedures by that date. Any extension shall be granted on an exceptional basis only and must be approved by the CAMLCO and reported to the Triple C committee.

### **2. Customer Due Diligence (CDD)**

- 2.1 “Customer Due Diligence” or “CDD” refers to the Customer identification and verification procedures laid down in this Part B of the AML Policy. It is mandatory to carry out the procedures to verify a customer’s identity and other required information before providing any service to that customer.
- 2.2 These Procedures define minimum requirements for conducting CDD for each type of customer, irrespective of which segment the relationship is being held or business is being undertaken.
- 2.3 CDD helps to establish the true identity, occupation/business and address of customer and helps assign the customer a risk rating that will guide subsequent due diligence and monitoring. It also enables SBACBL to predict the types of transactions in which a customer is likely to engage, thus facilitating the identification of suspicious activities.
- 2.4 Relationship Managers / Front line staff shall report suspicious transaction/activity without performing CDD if there is reasonable ground that Tipping Off may occur in the event of performing CDD for any transaction suspected to be related to money laundering (ML) and terrorist financing (TF).

### **3. CDD Responsibilities**

- 3.1 The Heads of Corporate, Retail Banking, SME, Cards and Treasury (hereinafter collectively referred to as “business segments”) are the CDD process owners and must ensure proper execution of the CDD processes by their Relationship Managers /front line staff: and are responsible for collecting information to monitor their implementation including but not limited to the following:
- 3.1.1 Completion rates for CDD related training;
  - 3.1.2 Changes made to the CDD Processes in the year;
  - 3.1.3 Dispensation/Deferrals granted are timely resolved
  - 3.1.4 Issues raised about CDD and other processes in Branch Self-Assessment Reports, Compliance Monitoring, Internal Audit reports or BFIU Inspection Reports;

- 3.2 Relationship Managers /Front line staff must complete identification and verification and CDD on all new customers at the point of on-boarding and for keeping it up to date on an annual basis for high risk accounts and every five years for low risk accounts. This includes all of the checks, controls and approvals set out in these Procedures.
- 3.3 Service Delivery Staff must perform independent check on each and every account before activating any account as a “checker” and including all of the checks, controls and approvals set out in these Procedures.
- 3.4 The respective business segments and Service Delivery DOIs/SOPs must include the requirement and process to perform an independent check of each Account Opening File to ensure file completeness and quality (a “maker-checker” process).

#### **4. The Main Components of the CDD Procedures for All Types of Customers**

- 4.1 Gathering Basic KYC information (including identity check),
- 4.2 Checking against sanction and other watch lists.
- 4.3 Unwrapping entities and identify Beneficial Owners, controlling parties, and complex structures,
- 4.4 Assigning risk and due diligence level.
- 4.5 Applying enhanced due diligence (EDD) measures if applicable.
- 4.6 Customer on-boarding process.
- 4.7 Ongoing customer due diligence, and
- 4.8 Periodic CDD reviews on a regular cycle of all customers depending on risk rating.

#### **5. Gathering KYC Information (Including Identity Check)**

- 5.1 The level of information which must be collected is risk based, i.e. dependent on the identified ML/TF risk posed to SBACBL having regards to the following factors;
- 5.2 Types of customers, including any Influential Person (IP)/ Politically Exposed Person (PEP)/Head of International Organization (HoIO);
- 5.3 The types of services / products provided;
- 5.4 The methods by which the services/products are delivered;
- 5.5 The foreign jurisdictions with which the customer deals.
- 5.6 The use or assistance of modern technology mentioned in GUIDELINES on Electronic Know Your Customer (e-KYC) issued by BFIU has to be taken considering the conveniences of modern technology, where applicable.

#### **6. Customer Identification & Verification Procedures Based on Customer Types**

- 6.1 When performing CDD, the business segments must determine which category each customer falls into. The customer type assigned will determine:
  - 6.1.1 The applicable identification and verification (ID&V) requirements;
  - 6.1.2 The applicable KYC requirements; and
  - 6.1.3 Relevant factors for the customer risk assessment.



## **6.2 The customer types are:**

6.2.1 Individuals (natural persons);

6.2.2 Joint Accounts (natural persons and joint ventures between two or more entities)

6.2.3 Staff Accounts (natural persons);

6.2.4 Credit/Prepaid/Supplementary Cardholders and Guarantors of borrowing customers;

6.2.5 Sole Proprietorships or Individuals doing business;

6.2.6 Partnerships;

6.2.7 Privately Limited Companies;

6.2.8 Publicly Listed Companies ("PLC") on DSE/CSE Exchanges;

6.2.9 Government-Owned entities;

6.2.10 NGO, Charities or Religious Organizations;

6.2.11 Clubs or Societies;

6.2.12 Trusts, Foundations or similar entities;

6.2.13 Financial Institutions and

6.2.14 Employee Banking/Payroll Banking.

6.3 The Relationship Managers/Front line staff shall gather Basic KYC information for all types of customers listed in section 6.2 above as well as additional information for high risk customers as per checklists specified in (Annexure B: KYC Documentation).

6.4 Gathering of information also includes obtaining complete and accurate information of the customer's identification. The Relationship Managers /Front line staff has to have through understanding of the intention behind opening the account by the customer and shall verify customer identification related information or data with the Election Commission database.

6.5 In case of individual institutional account holder, identification information of data, as given in Account Opening Form (AOF) issued by BRPD vide Circular No 02 dated 23 February 2020, have to be collected and verified for its accuracy.

6.6 Each customer should have a Unique Customer Identification Code (UCIC) to keep track of all the different types of accounts maintained by that customer and to monitor transactions across different accounts.

6.7 If an individual (mandate holder) operates an account on behalf of another, his/her complete and accurate identification information shall have to be collected after being confirmed that he/she is appropriately authorized to operate the account.

6.8 Where Customer accounts are operated by Trustee and Professional Intermediaries, complete and accurate information of identification of everyone related have to be collected after taking reasonable measures to understand the ownership and control structure of the customer and determining appropriateness.

- 6.9 If there are gaps in the Basic KYC information or if ambiguity or uncertainty occurs in relation to the information provided by a customer, additional questions shall be asked, or additional documentation requested.
- 6.10 Where the identify of the customer cannot be confirmed without doubt, or information on beneficial ownership, purpose and intended nature of the business relationship cannot be ascertained, a business relationship shall not be entered into. In such cases, transactions initiated by the customer shall not be carried out. Any existing account having gaps in the Basic KYC information will be made “Dormant” and no debits to be allowed in such accounts without updating CDD documentation. Activation of “Dormant” accounts shall require approvals from the Supervisor of the concerned Relationship Manager/ Branch Manager and endorsement from Deputy CAMLCO.
- 6.11 Reliable and independent documentation (original documents, certified copies) as well as other available reliable sources (public electronic data, Election Commission data warehouses etc.) shall be used to verify customer identity and other information provided. For customer identity verification only original documents or duly certified copies shall be appropriate, copies are acceptable only for additional supporting documents.
- 6.12 Customer’s declaration about his/her expected transaction profile (TP) of the account to be reviewed after six months from the date of opening of the account and if the actual transactions are inconsistent with customer’s occupation and source of fund, the customer to be asked reasons for large deviation. If customer’s reply is satisfactory obtain revised TP with customer’s signature otherwise file suspicious transaction report (STR).
- 6.13 To open an account of a Foreign National or Non-Resident Bangladeshi Foreign Exchange Regulation Act, 1947m GEET Vol.1 and related instructions issued by Bangladesh Bank have to be followed.

## **7. AML & CFT Risk Assessment**

### **7.1 The main components of the risk assessment process are**

- 7.1.1 Risk identification
- 7.1.2 Management and mitigation of risks and
- 7.1.3 Risk assessment reporting

### **7.2 SBACBL considers the ML/TF risks posed by the following risk factors**

- 7.2.1 Customer types, including any Influential Person (IP), Head/ Board member/ Director/ Deputy Director of International Organization (HoIO), Politically Exposed Persons (PEPs);
- 7.2.2 The types of services we provide;
- 7.2.3 The methods by which we deliver our services;
- 7.2.4 The foreign jurisdictions with which we deal; and
- 7.2.5 The business structure of the customer.

### **7.3 The risk assessment will provide the foundation for**

7.3.1 The categorization of customers into different due diligence levels according to risk rating assigned.

7.3.2 The identification of situations and cases where monitoring and/or other additional risk mitigation measures will be required.

## **8. Risk Factors Considered**

For the purposes of the Money Laundering Prevention Act 2012 (MLPA) & Anti-Terrorism Act 2009, in identifying its ML/TF risks, SBACBL has considered the risks posed by the five factors listed in section 7.2 above and set out in detail below. Thus, certain customer types, services, delivery methods, foreign jurisdiction considerations and business structures can pose a higher ML/TF risk

### **8.1 High Risk Customer Types**

8.1.1 The customer identity, origin of wealth or source of funds cannot be easily verified;

8.1.2 Where the structure of the customer/entity renders it difficult to identify the true controlling owner, or where there is no legitimate commercial rationale for the structure;

8.1.3 The customer is an IP/PEP/HoIO;

8.1.4 Customers engaged in a business which involves the physical handling of significant amounts of cash (e.g. currency exchange house, money transmitters, dealers in high value goods, etc.) who routinely receive payment in cash;

8.1.5 Customers who appear on governments lists, including sanction lists, or other credible sources which trigger risks in respect of corruption and/or criminal activity;

8.1.6 Customers (not necessarily IP/PEP/HoIO) based in, or conducting business in or through, a high risk geographic location, or a geographic location with known higher levels of corruption or organized crime, or drug production/distribution;

8.1.7 Charities and other “not for profit” organizations which are not subject to some form of regulatory monitoring or supervision.

8.1.8 Professional service providers such as lawyers, accountants, investment brokers or other professionals holding accounts for their customers or acting on behalf of their customer and where we would be required to place an unreasonable reliance on the professional service provider;

8.1.9 Requests for under levels of secrecy with a transaction;

8.1.10 The customer’s business activities place the customer in a high risk category (NGO, Trust, Cooperative Society, Charitable Organizations, Jewellery Business, Real estate business, Import-Export business, religious organization, mobile phone operator etc.)

## **8.2 Politically Exposed Persons (PEP)/ Influential Persons (IP)/ Head of International Organizations**

8.2.1 PEP is a foreign national who is or has, at any time in the preceding year, been entrusted with the following prominent public functions and an immediate family member or known close associate of such person. Domestic PEPs are called Influential Persons (IP):

8.2.1.1 Heads and Deputy Heads of State, Heads of Government, including Heads and senior members of Royal Families

8.2.1.2 Senior members of ruling party;

8.2.1.3 Ministers, Deputy Ministers and Assistant Ministers;

8.2.1.4 Members of Parliaments and/or national legislatures;

8.2.1.5 Members of the governing bodies of major political parties;

8.2.1.6 Members of supreme courts, of constitutional courts or of other high level judicial bodies whose decisions are generally not subject to further appeal, other than in exceptional circumstances;

8.2.1.7 Secretary, Additional secretary, joint secretary in the ministries;

8.2.1.8 Judges of supreme courts, constitutional courts or other high-level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances;

8.2.1.9 Governors, Deputy Governors, Executive Directors and General Managers of Central Bank;

8.2.1.10 Heads of the armed forces, other high ranking members of the armed forces and heads of the intelligence services;

8.2.1.11 Heads of state-owned enterprises;

8.2.1.12 Members of the governing bodies of local political parties;

8.2.1.13 Ambassadors, Charges d' Affaires or other senior diplomats;

8.2.1.14 City Mayor or heads of Municipalities who exercise genuine political or economic power;

8.2.1.15 Board members of state-owned enterprises of national political or economic importance.

8.2.2 The Corporate RM/Priority Centre Manager/Branch Manager must identify whether any of their customer is PEP, IP or HoIO. Once identified they need to apply enhanced due diligence (EDD) measures that is set out below:

8.2.2.1 Determine whether a customer or the real beneficial owner of an account is a PEP or IP of HoIO;

8.2.2.2 Obtain approval from business head and CAMLCO before opening an account of PEPs or their close associate and for opening an account of IP or HoIO or their close associate, obtain approval from CAMLCO or Deputy CAMLCO and area head;

8.2.2.3 Take reasonable measures to establish the source of fund and to satisfy itself as to bona fides of the intended transactions of an IP/PEP/HoIO customer;

8.2.2.4 Monitor their transactions on a regular basis; and

8.2.2.5 Ensure the provisions of Foreign Exchange Regulation Act, 1947 and rules and regulations of

8.2.2.6 Bangladesh Bank are complied with in respect of foreign nationals and non-resident Bangladesh.

8.2.3 The above PEP/IP procedures will also apply to a corporate or entity customer linked to a PEP/IP due to the existence of an individual within its corporate structure (i.e. director, shareholder, beneficial owner) who has controlling interest in the corporate or entity customer and meets the definition of a PEP/IP.

8.2.4 Mandatory name screening of a PEP/IP, his/her family members and close associates must occur prior to on boarding.

8.2.5 The Corporate RM/Priority Centre Manager/Branch Manager must conduct appropriate searches and obtain sufficient personal knowledge of the customer's profile, business, affairs and associations to enable the RM to identify any potential PEPs/IPs or PEP/IP linkages.

8.2.6 The above PEP/IP procedures apply to Heads of International Organization (HoIO).

8.2.7 All PEPs/HoIOs must be risk rated Mandatory Enhanced Due Diligence (EDD) and be managed by a relationship manager, or Branch Manager (BM) for retail banking relationships.

8.2.8 All IP/PEP/HoIO are subject to enhanced due diligence (EDD), enhanced verification and enhanced on-going due diligence procedures in accordance with BFIU instructions.

### **8.3 Non-Face to Face**

Products and services provided in a non-face to face process, i.e. when the customer has not been physically present for identification purposes may use e-KYC feature following BFIU Circular No. 25: "GUIDELINES on e-KYC" on 08<sup>th</sup> January, 2020.

### **8.4 High Risk Types of Services Provided**

SBACBL is a bank structured to provide asset management and cash management services to retail and wholesale customers. Although not necessarily, certain products, services and transactions in relation to them may pose a higher risk E.g. the following products and services may pose a high risk under certain circumstances:

8.4.1 Services where large amounts are transacted;

8.4.2 Services involving structures intended to (or which can in practice) render a customer anonymous (e.g. accounts in the names of trusts or nominees of third persons);

8.4.3 Products like credit cards, prepaid cards, locker service, remittance service etc.

8.4.4 Priority Banking Services.

8.4.5 Correspondent Banking Services.

## **8.5 Foreign Jurisdictions**

Customers based in or conducting business through certain countries may pose a higher risk. Criteria for identifying high risk countries are:

- 8.5.1 Countries identified by credible sources as providing funding or support for terrorist activities or who have terrorist groups working within the country;
- 8.5.2 Countries subject to sanctions and embargos by the United Nations/OFAC/EU etc.
- 8.5.3 Countries identified by credible sources as having significant levels of corruption and/or criminal activity;
- 8.5.4 Countries identified by credible sources as lacking appropriate AML & CFT legislation;
- 8.5.5 Countries identified as Tax Havens/Special Jurisdictions like Andorra, the Bahamas, Belize, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands, the Cook Islands, The Isle of Man, Mauritius, Lichtenstein, Monaco, Panama, St. Kitts, and Nevis.
- 8.5.6 Countries identified by the FATF as Non-Co-operative Countries and Territories (NCCT) and or under FATF's ICRG process.

## **8.6 Complex Business Structures**

- 8.6.1 Unduly complex structure means that a complex structure has been put in place for no apparent purpose, suggesting that it is mainly there to disguise the Beneficial Owners. Those responsible for approving the on-boarding of a customer with a complex structure must satisfy themselves that there is a legitimate and logical rationale for such a structure. They must document this in the CDD file. If they are not able to document a convincing rationale for the structure, they must record that the client uses an "unduly complex structure", as this will drive the client's risk rating.
- 8.6.2 The only exceptions to be above rule are for the following types of entities:
  - 8.6.2.1 Entities with any of their principal shareholders being publicly listed company or its majority owned subsidiary;
  - 8.6.2.2 Entities with any of their principal shareholders being a financial institution regulated by an equivalent regulator or its majority owned subsidiary (excluding a money service bureau);
  - 8.6.2.3 Entities with any of their principal shareholders being a government or government entity or its majority owned subsidiary from a low or medium risk country; or
  - 8.6.2.4 Entities with any of their principal shareholders being a significant and well-established entity or its majority owned subsidiary.

## **8.7 Management and Mitigation of Risks**

Before on-boarding a new client, the level of AML risk in the relationship must be assessed and the customer must be assigned into one either of following three risk levels and corresponding due diligence:

- 8.7.1 Enhanced Due Diligence (EDD);
- 8.7.2 Standard Due Diligence (SDD); or

8.7.3 Simplified Due Diligence

8.7.4 Based on the risk assessment, the following measures shall be applied;

8.7.5 Assigning risk level (low or high) to all customers, based on the risk assessment exercise.

8.7.6 Applying Enhanced Due Diligence (EDD) measures to high risk customers.

8.7.7 Monitoring of customers' activities and transactions carried out manually/automatically by the customer relationship manager/front line staff and ongoing customer due diligence.

8.7.8 Escalating the decision regarding establishment of a relationship in the case of a high-risk customer, or (where appropriate) carrying out of a specific action, including procedures for the rejection or termination of customer relationships, and

8.7.9 Whenever any new risk is identified or new product, processes and routines are introduced that needs mitigation, risk mitigation measures shall be considered and implemental in relation to each of new and existing customers, and new & existing products and services. If the identified risks cannot be mitigated immediately, an action plan shall be established.

## **8.8 Assigning Risk & Due Diligence Level**

8.8.1 The risk ranking procedure for new customers is set out in Annexure D: KYC Profile Form. This Procedure must be followed by RM/Frontline staff to categories/rank a new customer and assess that new customer's risk profile as being High or Low.

8.8.2 If the customer's risk rating is ranked as high risk, further Enhanced Due Diligence (EDD) procedures must be applied as described herein.

8.8.3 The following circumstances shall indicate the high risk and Enhanced Due Diligence (EDD) level:

8.8.3.1 A check against a sanction list or watch list reveals that the customer or persons associated with it potentially may be listed on one or more lists,

8.8.3.2 Circumstances indicate that the customer (or persons associated with it, in the case of a customer that is a legal entity) is an IP/PEP/HoIO.

8.8.3.3 The customers behavior or other circumstances indicate high risk,

8.8.3.4 The customer, following the risk ranking procedure, is seen as representing high risk, e.g. due to customer, country, product and services and/or combination of risk factors;

## **9.Customer Due Diligence Levels:**

Before on-boarding a new customer, the following three levels of due diligence will be applied as appropriate:

### **9.1 Simplified Due Diligence**

9.1.1 For transaction by Walk-in Customer not exceeding BDT 50,000/- (fifty thousand), name and address of sender/applicant and receiver/beneficiary and Photo ID and telephone number of sender/applicants need to be obtained only.

9.1.2 For the purpose of financial inclusion in opening or operating low risk accounts (School Student Account, Farmer's Account and other No-Frill (Account) to be used for specified purpose, simplified customer due diligence as above may be adopted.

9.1.3 To open an account under Agent Banking in rural areas, any of the following Photo ID documents shall suffice.

9.1.3.1 Passport or

9.1.3.2 NID

9.1.3.3 NID with thumb impression

9.1.3.4 Birth Registration Certificate (BRC) with Photo ID duly issued by anyone from the below list.

*Photo ID can be issued by anyone from the below list:*

- *Member of Parliament*
- *Mayor of City Corporation*
- *Deputy Mayor & Counsellor*
- *Gazetted officer*
- *Teacher of Public University*
- *Chairman & Vice Chairman of Upazila Parishad*
- *Chairman of Union Parishad*
- *Pourashava Mayor & Counsellor*
- *Professor of Private University*
- *Principal of Non-Government College*
- *Head Master of Non-Government School*
- *Notary Public*

9.1.4 BFIU Circular No. 25: "GUIDELINES on e-KYC" dated 08<sup>th</sup> January, 2020 can be followed for simplified due diligence.



## **9.2 Standard Due Diligence (SDD)**

9.2.1 CDD shall be performed at different stages mentioned below considering risk related to customer:

9.2.2 While establishing relationship with any customer rated as Low Risk;

9.2.3 Walk-in Customer making an Occasional Transaction of BDT 5,00,000/- (five lacs) and above;

9.2.4 Beneficial Owner of each account shall be identified based on information collected from independent and reliable source as per satisfaction of the RM/Branch Manager. Identification of Beneficial Owner shall be ensured in the following ways:

9.2.4.1 If a customer operates account on behalf of an individual, complete and accurate identification information of that individual in addition to that of the customer must be obtained and preserved.

9.2.4.2 If an individual controls/influences a customer directly or indirectly, complete and accurate identification information of that individual shall be obtained and preserved;

9.2.4.3 In case of company, complete and accurate identification information of beneficial owner shall have to be collected and preserved; in this case, individual(s) holding 20% or more controlling/ownership interest in that company shall be considered as beneficial owner of the account.

9.2.4.4 If any natural person with shares, capital or voting rights of 20% or more in an entity cannot be identified, complete and accurate identification information of its Chief Executive Officer shall be obtained and preserved.

## **9.3 Enhanced Due Diligence (EDD)**

9.3.1 Based on an assessment of ML/TF risk, following risk variables will trigger the requirement for additional CDD information and verification procedures to be performed (these depend upon customer type and that customer's risk profile)

9.3.2 Where the prospective customer (natural person, director, member of governing body, beneficiary or beneficial owner) is named in a government watch list or a credible sourced watch list;

9.3.3 Where the customer, who is an individual (natural person), is an IP/PEP/HoIO or is known to have a link to an IP/PEP/HoIO (this includes any directors, beneficial owners, beneficiaries and agents as the case may be);

9.3.4 Foreign jurisdiction risk (individuals and legal entities) i.e. the place customer is domiciled (located) is considered high risk. This includes owners, shareholders, Trustees, Officers and beneficial owners and beneficiaries of such legal entities;

9.3.5 In the case of a listed company, the foreign jurisdiction risk with respect to the location of the exchange on which the listed company is traded;

9.3.6 The customer performs sophisticated activities and/or has links with high risk foreign jurisdiction;

- 9.3.7 The customer's business activities place it in a higher risk category;
- 9.3.8 Where intermediaries exist that are not Reporting Entities;
- 9.3.9 Where the prospective customer is not physically present for identification purposes;
- 9.3.10 Complex customer structures with numerous layers e.g. corporate, trusts;
- 9.3.11 The customer structure does not support the disclosed business of that customer;
- 9.3.12 Customer predominantly uses high risk products & services;
- 9.3.13 Services to the customer is provided exclusively via the internet.
- 9.3.14 The following measures shall be applied to all customers rated high risk as appropriate, however the first two measures are mandatory for all high-risk customers:
- 9.3.15 Verification of the beneficial owners by reviewing supporting documents on beneficial ownership information provided by the client or third parties, such a shareholders register, and verification of the identity of the beneficial owners by obtaining a copy of the beneficial owner's identity card or passport;
- 9.3.16 Screening the customer, beneficial owners and representatives of the customer manually/automatically against watch lists of UNSCR, OFAC, EU, UK, Canada, Australia, Bangladesh Governments, BFIU, and SBACBL's own black list provided in AML Solution (DataSoft: AML Velocity Suite), which is updated automatically when changes take place.
- 9.3.17 Ask additional questions and request additional documentation, based on identified risks, ambiguities and uncertainties;
- 9.3.18 Take adequate measures to establish the source of wealth and the source of funds of the high risk customers;
- 9.3.19 Supplementary measures to verify the documents supplied, or require confirmatory certification by a competent authority or financial institution;
- 9.3.20 All enhanced measures applied shall be documented and the records kept.
- 9.3.21 If the relevant Relationship Manager/ Front line staff detect any suspicious activities/ transactions, internal SAR/STR reports must be raised with Deputy CAMLCO immediately. (Annexure E: STR/SAR Report Form).

#### **10. Area Head/ Unit Head, Business & Deputy CAMLCO Approvals Required for EDD Customers**

- 10.1 When establishing or continuing with a business relationship with a high-risk customer; or
- 10.2 Whether a transaction in an account should be processed pending completion of EDD process; or
- 10.3 Whether the service should commence to be provided or continue to be provided to the customer subsequently categorized as high risk;

## **11. When CDD is not possible**

If the customer is not cooperating or the collected information/data of the customer appears unreliable, that is, if the RM/Frontline staff cannot perform CDD by collecting and verifying satisfactory information on customer identification, they shall take the following measures:

11.1 RM/Frontline staff shall not open an account of such customer or shall not carry out transactions or if necessary, shall close the existing account;

11.3 Branch shall preserve information on such accounts (CDD not possible) and shall send the same to AMLD. If necessary, AMLD shall bring such information to the knowledge of all other Branches;

11.4 Where applicable, suspicious transaction/activity report on such customers shall be submitted.

## **12. Ongoing Customer Due Diligence**

12.1 The Relationship Managers /front line staff shall conduct ongoing due diligence of all customers to ensure that the CDD information is up to date. It shall be documented when a review was carried out and by whom.

12.2 The reviews of existing customer's records shall also be performed when a transaction of significance takes place, when customer documentation standards change substantially, when there is a material change in the way that the account is operated or when customer relationship manager becomes aware at any time that it lacks sufficient information about an existing customer.

12.3 The issue of changing the assigned risk level for a certain customer to higher risk or vice versa shall be handled by the BAMLCO/DAMLCO.

12.4 Other procedures of ongoing customer due diligence include the following:

12.4.1 The Relationship Managers /front line staff will review transactions, including trading and electronic fund transfers, in the context of other account activity to determine if a transaction is suspicious;

12.4.2 Exception reports will be utilized to identify possible ML/TF risks and include monitoring transaction size, location, type, number and nature of the activity until automated transaction monitoring system is fully operational;

12.4.3 Deputy CAMLCO/AML & CFT Compliance Officer (s) will be responsible for monitoring adherence to this Policy and the regulatory requirements and will report suspicious activities to the appropriate authorities.

12.4.4 The BAMLCO/DAMLCO will conduct appropriate investigations before forwarding or reporting a suspicious matter to Deputy CAMLCO.

12.4.5 In addition to regular reviews, circumstances may arise in which an otherwise low risk customer will be elevated to high risk. For example, a customer on commencement of the relationship may be classified as low risk. However, after considering the customer's circumstances (such as financial resources) and as a result of a change in activities, the risk profile of the customer may be elevated to high.

12.4.6 In circumstances where the customer's risk profile is elevated, further measures and controls will be implemented to mitigate and manage against potential ML/TF risks including the following:

12.4.6.1 Immediate notification to all appropriate relationship manager / business units;

12.4.6.2 Enhanced CDD information and verification procedures to be performed;

12.4.6.3 An increase in the level of monitoring (i.e. in accordance with the new classification or rating of the customer risk, being high and monitoring intervals commensurate with the identified risk).

### **13. Periodic CDD reviews**

13.1 Periodic CDD reviews must be carried out on a regular cycle for all customers depending on their risk rating i.e. on annual basis for High Risk accounts and once every five years for Low Risk accounts. The transaction profile (TP) of the customers will be reviewed 6/12 (six or twelve) months after opening the accounts.

13.2 The Corporate RM/Priority Centre Manager / Branch Manager is primarily responsible for conducting ongoing and periodic reviews. They may delegate their responsibilities to an appropriate person however, they cannot delegate ACCOUNTIBILITY.

#### **13.3 The following basic steps are required to be undertaken during periodic review of all accounts**

13.3.1 Visit or contact (letter/over phone/e-mail) customer to confirm if any CDD information has changed and collect updated documents as appropriate e.g. ID expired, trade license expired, address changed, missing Uniform AOF, photograph, source of fund doc. TIN certificate, Nominee docs etc.

13.3.2 Reassess AML/CFT risks posed by the customer.

13.3.3 Review TP (Transaction Profile) against actual transactions for past six months.

13.3.4 Identify any changes in occupation/profession/business of the customer.

13.3.5 Conduct EDD if review reveals IP/PEP/HoIo.

13.3.6 Identification of BO (Beneficial Owner) and obtain KYC documents.

13.3.7 Any changes in static data-like mobile number, address and email.

13.3.8 Other information/documents as deemed necessary.

13.3.9 Service Delivery will provide a list of information/document deficiencies to every branch based on which Corporate RM/Priority Centre Manager/Branch Manager will collect the wanting information / documents during the reviews. Service Delivery must perform independent check on periodic reviews done by the business segments.

13.3.10 If changes are identified or deficiencies found, such information should be refreshed, re-obtained and re-verified This includes.

13.3.10.1 Purpose and reason for the business relationship and account(s);

13.3.10.2 Unwrapping of ownership structure of entities;

12.3.10.3 Identification and verification of directors/signatories/beneficial owners;

13.3.10.4 Business activity or job type;

13.3.10.5 Source of wealth;

12.3.10.6 IP/PEP/HoIo status;

13.3.10.7 Sanctions status

13.3.11 There is no requirement to refresh/re-obtain identity documents or re-Verify identity where there is no change in information. Thus, where a customer's name, address, date of registration has not changed, it is not necessary to obtain documentary proof or evidence from the customer that there has been no change.

13.3.12 Check that the activity in the customer's account, for the period since the previous review, is generally consistent with the SBACBL's understanding of the purpose and Transaction Profile (TP) of the account. Update TP if justified or file STR if appropriate.

13.3.13 Ensure that information on the customer's PEP status remains current and review the customer's sanctions status by rescreening to ensure it is up to date.

#### **14. Sanctions Screening**

14.1 Name screening is the method by which the Bank prevents the on-boarding or retention of any customers who are prohibited under the SBACBL's AML Policy and Procedures or, who are named on sanctions lists because they represent a legal, compliance or reputation risk for the Bank.

14.2 SBACBL uses third party service provider for sanction screening solution (Integrated with the FLORA Core Banking Software (CBS) ) which contains Sanctions lists of UNSCR, OFAC, UK, Canada, Australia, Bangladesh, BFIU, and SBACBL's own blacklist which are updated automatically when changes take place.

14.3 All names that are collected as part of customer due diligence, i.e. customers and related parties must be screened at on boarding, and on a periodic basis against the above sanctions lists, PEP lists, adverse information, and other blacklists which contain the names of clients that the SBACBL either prohibits or restricts business with. Related parties include beneficial owners, nominees, mandate holders, directors and signatories of entities.

14.4 All monetary transactions trade operations and related data related data (accounts, involved parties, vessels, ports, etc) are also to be individually screened against the above lists.

14.5 Names must be recorded into the on-boarding systems (CBS and integrated with the FLORA Core Banking Software (CBS) exactly as spelled out in the identification documentation collected.

14.6 Where documentation contains different spelling of the same name, all names must be screened to ensure that aliases are picked up.

14.7 Where it is known that the alternative spelling is commonly used by the person or entity, the alternative name must be recorded as an alias and evidence of screening against that name must be recorded.

14.8 Periodic customer rescreening on an ongoing basis, involves extracting names from static data systems and screening using integrated with the FLORA Core Banking Software (CBS)

14.9 Any potential match must be satisfactorily resolved before any transaction is undertaken for the customer. The person on-boarding the client is responsible for working out whether the client is a true match against the entry in the system. Where it is a match, they must follow the instructions specified in the DataSoft: AML Velocity Suite Procedures and any relevant Departmental Operating Instructions. No business may be undertaken for the client until the match has been satisfactorily resolved.

14.10 If the alert is determined to be a false match, the reasons why that conclusion has been reached must be documented and retained in the CDD record. General statements such as “match is not exact” are not sufficient- the precise reasons why the alert has been determined to be false must be documented (for example, birth dates of the client and the sanctioned person are different).

14.11 For true matches, subsequent steps will depend upon which list the client has matched against. Detailed instructions are included in the integrated with the FLORA Core Banking Software (CBS) integrated with the FLORA Core Banking Software (CBS). However, customer matched as a Sanctioned Party must not be onboarded. Customers identified as IP/PEP/HoIO or as having adverse information against them must be treated in line with sections 8.2 and 9.3 above.

14.12 Any breach of sanctions regimes must be reported to the competent authorities in accordance with BFIU GUIDELINE. In such cases CAMLCO shall be notified. Service Delivery shall keep a logbook of accounts whose funds have been frozen.

## **15. Transaction Monitoring**

15.1 Transaction Monitoring involves monitoring customer transactions to detect unusual or suspicious transaction for reporting to BFIU.

15.2 Every Business and individual customer will normally make certain kind of transaction in line with their business / individual needs. This will be declared in a Transaction Profile (TP) at the time of opening account of the customer. Ideally any deviation from the normally expected TP should be reviewed with human judgment and interaction with customer. Such reviews may result in changing the expected profile or filing an STR.

15.3 The purpose of Transaction Monitoring is to be vigilant of any significant changes or inconsistencies in the pattern of transaction. Inconsistency is measured against the stated original purpose of the accounts i.e. the declared Transaction Profile (TP) of the Customer. Possible areas to monitor could be:

15.3.1 Transaction type

15.3.2 Frequency

15.3.3 Unusually large amounts

15.3.4 Geographical origin/destination

15.3.5 Changes in account signatories

15.4 The most effective method of monitoring of accounts is achieved through a combination of computerized and manual solutions. A corporate compliance culture, and properly trained, vigilant staff through their day-to-day dealing with customers, will form an effective monitoring method as a matter of course.

15.5 SBACBL is in the process of implementing automated transaction monitoring system under integrated with the FLORA Core Banking Software (CBS) which will include different “scenarios” and “floor levels” or limits for different transactions of different categories of customers to identify any transaction that appears to be suspicious, complex, or unusual.

15.6 Till such time as the automated transaction monitoring system is rolled out, monitoring of transactions based on “Transaction Profile (TP)” Exception Report” and “CTR Qualifying Report” is to be continued.

15.7 All complex, unusual transactions and transactions that apparently do not have any financial or justified purpose shall have to be monitored more carefully;

15.8 RM/Frontline staff and BAMLCO must remain vigilant in identifying Structuring activity and where applicable raise STRs.

15.8 Foreign Currency-Transaction and transaction conducted through electronic means shall also have to be considered for transaction monitoring.

## **16. Suspicious Activity/Transaction Reporting (SAR/STR)**

16.1 It is a regulatory obligation that all staff are required to make an internal report in respect of information that comes to them in the course of their employment with SBACBL where they;

- Know; or
- Suspect; or
- Have reasonable grounds for knowing or suspecting

that a customer is engaged in money laundering or terrorist financing. Failure to report in the above circumstances may leave the staff and the bank open to punishments.

16.2 It is the responsibility of all staff to make the internal report to their respective BAMLCO/DAMLCO, who should acknowledge receipt, review the report and in turn forward the report (Annexure E: SAR/STR Reporting Form) to Deputy CAMLCO with BAMLCO/DAMLCO comments/recommendations.

16.3 Suspicious Transaction Report (STR) is to be filed on a transaction or attempted transaction regarding which SBACBL suspects or has reasonable grounds to suspect that it involves proceeds of a crime, relate to terrorist financing, is complex, unusual or large, and does not have any apparent visible economic or lawful purpose.

16.4 Suspicious Activity Report (SAR) shall be reported on fake documents provided and/or attempted fraudulent transactions or when there are adverse media reports on the customer which SBACBL suspects or has reasonable grounds to suspect to involve proceeds of crime or is related to terrorist financing.

16.5 When any attempt is made to structure transactions to overcome the threshold reporting requirements by conducting 2 or more transaction below the prescribed threshold amounts.

16.6 Reports filed with BFIU on suspicious Money Laundering or financing of terrorism shall be recorded and kept confidential.

16.7 It is prohibited to disclose to the customer concerned or to other third persons the fact that a report has been filed or that a Money laundering investigation is being or may be carried out.

16.8 SBACBL must take all appropriate measures to protect employees and contractual staff who report suspicious activity from being exposed to threats or hostile action.

## **17. Wire Transfer**

17.1 "Wire transfer" refers to financial transactions where any bank or financial institution at the request of an applicant (individual or institution) pays, using electronic means, to a beneficiary person or organization with the help of a branch of another bank or financial institution.



## **17.2 Following Information to be collected for All Types of Wire Transfer**

### **Cross-border wire transfer**

17.2.1 Accurate information of applicant to be obtained and sent to intermediary/beneficiary bank for cross border wire transfer amounting USD 1,000.00 (One thousand) or above or equivalent all other foreign currency. Information of the applicant have to be retained irrespective of the amount remitted. In the above mentioned information account number of applicant and beneficiary or Unique transaction reference number in absence of account number will be included so that later on the transaction can be identified easily.

17.2.2 While paying cross-border wire transfer money to beneficiary, information of the beneficiary has to be preserved.

17.2.3 Where multiple cross-border wire transfer from a single applicant are bundled in a batch file for transmission to multiple beneficiaries, the batch file must contain accurate information of the applicant and complete information of beneficiaries. In addition, SBACBLCMO staff shall include the account number or unique transaction reference number of the applicant.

### **Domestic wire transfer**

17.2.4 In case of domestic wire transfer by the bank, applicable instructions mentioned in “Cross-border wire transfer” shall have to be complied with to obtain and verify identification information of the applicant and beneficiary;

17.2.5 Similar information mentioned in section 17.2.4 above shall have to be retained for payment instruction/message for wire transfer using debit/credit card (excluding purchase of goods and services).

17.2.6 Compliance of the above instruction is not mandatory for wire transfers favoring govt. / Semi-govt. / autonomous bodies. The instruction in section 17.2.4 is exempted for interbank transactions

### **Other Instructions applicable for Wire Transfer**

17.2.7 All relevant parties performing wire transfer activities must follow directives issued by Bangladesh Bank. BFIU from time to time and all applicable Acts or Rules and Regulations; and

17.2.8 While undertaking wire transfer activities, SBACBL Trade Operations & CMO staff must ensure no Shell Bank is used or engaged and no money laundering, terrorist financing or proliferation of Weapons of Mass Destruction whatsoever is involved.

## **17.3 Instructions applicable for Ordering, Intermediary and Beneficiary Bank**

### **Ordering Bank :**

17.3.1 Ordering bank shall ensure complete and accurate information of the applicant for wire transfer related transactions. Besides, meaningful information of the beneficiary shall be obtained by ordering bank. Such information must be preserved for at least 5 (Five) years and to be provided to competent authority at their request without any delay. Besides, ordering bank shall not conduct any cross border and domestic wire transfer activities without fulfilling the directives of “Cross-border wire transfer” & “Domestic wire transfer” of this policy.



### **Intermediary Bank:**

- 17.3.2 For both cross-border and domestic wire transfers; any bank working as an intermediary, between ordering bank and beneficiary bank, shall ensure that all applicant and beneficiary related information is retained. Appropriate measures shall have to be taken to identify information gap of the applicant and beneficiary. In addition, information received from ordering bank (from any other intermediary bank wherever applicable) shall have to be retained for at least 5(Five) years by the intermediary bank/organization; and
- 17.3.3 When SBACBL acts as an intermediary bank, Trade Operations & CMO staff shall have effective risk-based procedures for execution, rejection, or suspension and the appropriate follow-up action of wire transfers that lack required originator information or required beneficiary information.

### **Beneficiary Bank:**

- 17.3.4 When SBACBL acts as a beneficiary bank, Trade Operations & CMO staff shall have effective risk-based procedures for to identify wire transfers that lack required originator or required beneficiary information. While making payment to receiver/beneficiary, beneficiary bank shall obtain complete and accurate information of receiver/beneficiary and retain the same for at least 5(five) years; and
- 17.3.5 When SBACBL acts as a beneficiary bank, Trade Operations & CMO staff shall have effective risk-based procedures for rejection, or suspension and the appropriate follow-up action of wire transfers that lack required originator information or required beneficiary information.

## **18. Correspondent Banking**

The following instructions must be complied with before establishing and continuing cross-border corresponding banking relationship so that banking system cannot be abused for money laundering or terrorist financing.

- 18.1 Before providing any correspondent banking services, approval from CAMLCO needs to be obtained after collecting information and being sure of the nature of business of the correspondent or respondent bank. Where applicable additional information as per "Annexure F: Correspondent Banking KYC", have to be collected from Open Source as well;
- 18.2 SBACBL shall establish corresponding banking relationship with a foreign bank only if it is satisfied that the Correspondent or Respondent bank is being supervised effectively by the relevant controlling authority;
- 18.3 No corresponding banking relationship can be established or maintained with any Shell Bank;
- 18.4 No corresponding banking relationship can be established or maintained with any Correspondent or respondent bank that establishes corresponding banking relationship or maintains account or provides service to a Shell Bank;
- 18.5 Enhanced Due Diligence (EDD) of the customer has to be performed while establishing or maintaining correspondent banking relationship with any bank in countries that are significantly deficient of Financial Action Task Force (FATF) standards (e.g. countries listed as High Risk and Non-Cooperative Jurisdictions in public document of FATF). Detailed information on the beneficial ownership of such banks and information about their policies and procedures on Preventing Money Laundering and Terrorist Financing shall have to be collected;

18.6 The following additional due diligence need to be performed when establishing correspondent banking relation with respondent banks that provides facilities to their customers to execute transactions through correspondent bank directly (that is Payable through accounts):

18.6.1 It must be ensured that proper CDD on their customers by respondent bank has been performed; and

18.6.2 It has to be ensured that CDD information of relevant customer shall be supplied by the respondent bank upon request of the correspondent bank.

18.6.3 The procedures set out above shall be followed during periodic reviews and re-evaluation of all existing corresponding banking relationships.

## **19. Agent Banking**

In order to operate agent banking activities SBACBL shall comply with the following instructions:

19.1 Along with Agents, SBACBL shall be equally liable for compliance of all money laundering and terrorist financing related regulations and instructions;

19.3 Care must to be taken to identify and report suspicious transaction or activity of Agent and customers;

19.4 SBACBL's AML Policy shall be included in Agent banking compliance program and suitable training for Agents and their staff must be arranged;

19.5 While appointing agents steps mentioned below shall be followed for monitoring their activities;

19.6 Complete and accurate identification of agents shall have to be ensured through proper verification or appointment process (Screening Mechanism) for selection of agents;

19.7 Applicable procedures mentioned in section; 5 to 9 above to followed before on boarding any Agent;

19.8 Annual Audit/Inspection on High Risk Agents shall be performed to verify status of compliance with AML/CFT regulations send the audit/inspection report to AMLD for onward submission to BFIU;

19.9 Perform annual Audit/Inspection on Low and Medium Risk Agents every five years;

19.10 Updated list of agents to be published on SBACBL's own website; and

19.11 Separate list of agents terminated due to complaints/irregularity to be published on SBACBL's own website.

19.12 In case of agent banking, applicable instructions of GUIDELINES on e-KYC issued by BFIU can be followed.

## **20. Record Retention**

Data, documents and other information collected in order to comply with these Procedures ("CDD Records") must be retained and stored in a manner that meets legal and regulatory requirements.

## **20.1 Definition of CDD Records**

CDD Records include all client and counterparty due diligence, verification and Know Your Customer (KYC) data, documents and other information that are required in order to comply with these Procedures. These include:

- 20.1.1 Records of customer identification and information verification including descriptions of any document that was relied on, noting the type of document; any identification number, the place of issuance, and the date of issuance and expiration date; a description of the methods and the results of any measures undertaken to verify the identity of a customer; and a description of the resolution of each substantive discrepancy discovered when verifying the identifying information obtained;
- 20.1.2 Records that show where there has been reliance on agents or third parties to verify or certify customer documents, and what the nature of the reliance has been;
- 20.1.3 Records on the beneficial ownership of the customer;
- 20.1.4 Records that demonstrate the nature of the customer's business activities, purpose and reason for opening account or establishing relationship, source of funds and source of wealth;
- 20.1.5 Records of searches carried out to determine whether a customer is a Politically Exposed Person/ Influential Person / Head of International Organization and of steps taken where PEPs/IPs/HoIOs are discovered;
- 20.1.6 Records of the results of adverse Information searches;
- 20.1.7 Records of the results of screening against sanctions and similar lists, and the steps taken to resolve them; and
- 20.1.8 Records of any suspicious activity reporting, including internal reports made to Deputy CAMLCO where staff have concerns.
- 20.1.9 Records of Half yearly AML compliance reports and other management reports;
- 20.1.10 Records of all AML/CFT training and compliance monitoring reports;

## **20.2 Minimum record Retention Period**

20.2.1 The minimum retention period for CDD Records is 5 years after account closure or the end of the customer relationship.

20.2.2 The minimum retention period for records in respect of financial transactions is 5 years after the date of the transaction.

## **21. Recruitment**

21.1 To mitigate the risk of Money Laundering, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction, SBACBL shall ensure the following matters while recruiting officials/staff;

21.2 Screening mechanism in its recruitment process; and

21.3 Post appropriate number of staff/officers adequately skilled in AML & CFT matters in the AML Department

## **22. Training**

- 22.1 To ensure compliance on prevention of Money Laundering, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction, SBACBL shall take following steps;
- 22.2 AML/CFT awareness sessions for Board of Directors and MANCOM members to be held every year.
- 22.3 Every employee must receive Basic AML/CFT awareness training within 6 (six) months of joining.
- 22.4 All existing employees must receive Refresher AML/CFT training every two years.
- 22.5 Specialist AML/CFT training which must include Customer Due Diligence and its role in protecting SBACBL must be received by Relationship Managers/BAMLCO and other front line Officers involved in opening customer accounts, FDR, Credit Cards, Prepaid Cards or providing any services.
- 22.6 Relationship Managers/ BAMLCO and other frontline Officers whose roles involve CDD must be trained on appropriate elements of these Procedures. Corporate and Retail Business segments must ensure that this training is provided in a comprehensive and timely fashion.
- 22.7 Appropriate training and/or courses for achieving professional certification shall be arranged for CAMLCO/Deputy CAMLCO and other AMLD Officers;
- 22.8 Trade-based money laundering (TBML) training should be imparted to Officers involved in day-to-day trade processes roles. TBML training should form a core part of a bank's training calendar or training plan.
- 22.9 In line with the AML Procedures, records of all training must be taken which show:
- 22.9.1 Dates training was given;
  - 22.9.2 The nature of the training;
  - 22.9.3 The names and ID number of the staff who received training; and
  - 22.9.4 The results of the tests undertaken by staff, where appropriate.

These must be retained for at least five years.

## **23. Customer Awareness**

- 23.1 RM/Branch Managers/Priority Banking Managers/BAMLCO/frontline Officers should make customers aware of the reasons for taking different information and documents at the time of account opening and periodic reviews.
- 23.2 Retail Banking Head to increase customer awareness on prevention of ML, TF and Proliferation of weapons of mass destruction through distribution of leaflets from time to time and display relevant posters in visible place of every branch; and
- 23.3 Retail Banking Head shall arrange advertisement and documentary through mass and other media for awareness on preventing Money Laundering and Terrorist Financing.

সাউথ বাংলা এগ্রিকালচার এ্যান্ড কমার্স ব্যাংক লিঃ



# **CUSTOMER ACCEPTANCE POLICY-2022**

**AML-CFT Division**  
**South Bangla Agriculture and Commerce Bank Limited**

**Revision on March-2022**

**Anti- Money Laundering Department (AMLDD)**  
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## **LIST OF ABBREVIATIONS**

<b>AD</b>	Authorized Dealer
<b>AML</b>	Anti Money Laundering
<b>AOF</b>	Account Opening Form
<b>ATA</b>	Anti-Terrorism Act
<b>BAMLCO</b>	Branch Anti Money Laundering Compliance Officer
<b>BFIU</b>	Bangladesh Financial Intelligence Unit
<b>BO</b>	Beneficial Owner
<b>CAMLCO</b>	Chief Anti Money Laundering Compliance Officer
<b>CAP</b>	Customer Acceptance Policy
<b>CBS</b>	Core Banking System
<b>CCC</b>	Central Compliance Committee
<b>CDD</b>	Customer Due Diligence
<b>CFT</b>	Combating the Financing of Terrorism
<b>CPV</b>	Contact Point Verification
<b>CRM</b>	Customer Relationship Management
<b>CTR</b>	Cash Transaction Report
<b>DCAMLCO</b>	Deputy Chief Anti Money Laundering Compliance Officer
<b>EDD</b>	Enhanced Due Diligence
<b>E-TIN</b>	Electronic- Tax Identification Number
<b>FATCA</b>	Foreign Account Tax Compliance Act
<b>FATF</b>	Financial Action Task Force
<b>FC</b>	Foreign Currency
<b>FERA</b>	Foreign Exchange Regulation Act
<b>GFET</b>	Guideline for Foreign Exchange Transactions
<b>HMT</b>	Her Majesty Treasury
<b>IPs</b>	Influential Persons
<b>KYC</b>	Know Your Customer
<b>ML</b>	Money Laundering
<b>NFCD</b>	Non-Resident Foreign Currency Deposit
<b>OFAC</b>	Office of Foreign Assets Control
<b>PEPs</b>	Politically Exposed Persons
<b>RFC</b>	Resident Foreign Currency Deposit
<b>RJSC</b>	Registrar of Joint Stock Companies and Firms
<b>RMA</b>	Relationship Management Application
<b>STR</b>	Suspicious Transaction Report
<b>SAR</b>	Suspicious Activity Report
<b>TF</b>	Terrorist Financing
<b>TP</b>	Transaction Profile
<b>UN</b>	United Nations
<b>UNSCR</b>	United Nations Security Council Resolution
<b>US</b>	United States
<b>NITA</b>	Non Resident Investor's Taka Account

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# **CHAPTER-1**

## **1.0 INTRODUCTION**

In accordance with the BFIU master circular 26 dated 16/06/2020, it is mandatory to prepare and time to time review “Customer **Acceptance Policy (CAP)**” for all banks. To comply the directives of the circular AML & CFT Division review existing “**Customer Acceptance Policy**” of our bank.

Customer is the main aspect for bank business. Increasing competition is forcing banks to pay much more attention to satisfy customers. Our motto is to extend our best services to the customers. Although, customers are the focal point of bank activities, sometimes they pose the risk of money laundering and financing of terrorism thereby putting the interest of bank at stake, an integral part of CDD, is vital and most effective defense against Money Laundering (ML) and Terrorism Financing (TF). As such the inadequacy or absence of KYC standards can result in serious customer and counter-party risks, especially reputation, operational, legal and compliance risks.

As per Sec. 25 of Money Laundering Prevention Act, 2012 (amendment 2015), each bank requires to keep complete and accurate information of its customers. It is also the responsibility of each bank to identify suspicious transactions proactively and report the same to BFIU. Pursuant to above legal requirements, Money Laundering and Terrorist Financing Risk Management Guidelines, Circulars issued by BFIU and in relation to international standard, the bank has developed the Customer Acceptance Policy (CAP) and review the same.

### **1.1 Objectives/ Purpose of the Policy:**

A concrete Customer Acceptance Policy is very important so that inadequate understanding of a customer’s background and purpose for utilizing a bank account or any other banking product/service may not expose the bank to a number of risks. Therefore, SBAC Bank adopts a risk-based approach and procedures for assessing and effectively managing the risk of its services being used for ML and TF purposes. The primary objectives/purpose of the Customer Acceptance Policy is –

- i. to manage any money laundering and terrorist financing risk that the services provided by the bank may be exposed to;
- ii. to prevent the bank from being used, intentionally or unintentionally, for ML/TF purposes;
- iii. to identify customers who are likely to pose a higher than average risk.

#### **Policies are appended as under:**

- i. To enable the Bank to know/understand the customers and their financial dealings better which, in turn, would help the Bank to manage risks prudently
- ii. To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws or laid down procedures
- iii. To comply with applicable laws and regulatory guidelines
- iv. To ensure that the concerned staffs are adequately trained in KYC, AML, CFT procedures.

The customer acceptance policy of bank should not be used against the less privileged people or the people who have not proper identification document. It should encourage the ultimate goal of transparent, accountable and inclusive financial system in Bangladesh. This policy is applicable to all domestic branches/concerned Head Office Divisions/Departments/subsidiaries of the Bank and is to be read in conjunction with related operational guidelines issued from time to time.

## **1. 2 Who is a customer?**

For the purpose of identification and verification of KYC Procedure a 'Customer' is defined in BFIU Circular No. 26 dated 16.06.2020, as under:

- i. The person or entity that maintains an account /have business relationship with the Bank;
- ii. True Beneficial Owner\* of bank account or of business relations, in whose behalf an account is operated/maintained directly or indirectly; in this regard briefly discussed in Guidelines on Beneficial Ownership.
- iii. Professional intermediaries (such as Lawyer, Law Firm, Chartered Accountants etc.) engaged for conducting/operating accounts of account holder, trusts or actual beneficial owner of transaction under the existing legal infrastructure;
- iv. Any individual or entity in a single transaction conducted a high value\*\* occasional transaction or any person or entity involved in a financial transaction that may pose significant reputational and other risks to the institution.
- v. Any Person or entity defined as "Customer" by BFIU from time to time.

*\*\*In this case if a transaction appears abnormal in relation to the usual transaction of the concerned person or entity that transaction will be treated as - "High Value".*

Beneficial Owner would be identified for each and every account. By following process, the actual beneficial owner of the account would be confirmed:

- i. If any customer operates accounts on behalf of other person, in that case bank will obtain & retain correct and complete information of that person other than customer.
- ii. Seemingly if any person controls/influences any customer directly or indirectly, bank will obtain & retain correct and complete information of that person other than account holder.
- iii. In case of company, controlling shareholder or individual shareholder holding 20% and more shares shall be considered as beneficial owner, bank will obtain & retain correct and complete information of those persons.
- iv. If it is not possible to identify any natural person in context of above sl.no ii) & iii), in that case bank will obtain & retain correct and complete information of MD/CEO as beneficial owner.

## **CHAPTER-2**

### **2.0 CUSTOMER ASSESSMENT:**

#### **2.1 Methodology for assessing customer**

In preparing the policy, following indicators/factors have been considered to assess customers:

- i. Customers' background
- ii. Country of origin and country where it operates
- iii. Information available for verifying the customer's identity
- iv. Politically Exposed Persons (PEPs), Influential Persons (IPs) and chief/ senior officials of International Organizations, their family members/ close associates
- v. Linked accounts
- vi. Customer's profession or nature of business
- vii. Monthly income/ Net worth
- viii. Presence of beneficial owner
- ix. Existence of customer details in sanction lists/ banned list
- x. Existence of customer name in adverse media
- xi. Presence of customer in branch during opening account and availing services
- xii. Risk profile of customer based on risk register
- xiii. Mode of marketing the products/ services to the customer
- xiv. Estimated transaction profile
- xv. Other risk indicators

#### **2.2 Risk Profiling of Customer:**

The branch shall prepare a profile for each new customer in a matrix prescribed by BFIU based on the indicators/factors indicated above. The nature and extent of due diligence shall depend on the risk perceived by the branch.

##### **2.2.1 Low Risk Customers:**

Individuals and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts are expected to be low (as per transaction profile) and conform to the known profile may be categorized as low risk. The illustrative examples of low risk customers could be salaried employees whose salary structures are well defined, people belonging to lower economic standards of the society whose accounts show small balances and low turnover, Government Departments and Government owned companies, regulators and statutory bodies etc.

##### **2.2.2 High-Risk Customers:**

Customers that is likely to pose a higher than average risk to the bank may be categorized as high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and transaction profile etc. Branch should use judgment in addition to the risk rating in KYC profile form, and have to be extra cautious while dealing with following customers:

- i. Individuals and entities whose identities and sources of wealth are difficult to identify and transactions in whose accounts are high (as per matrix);
- ii. Persons in business/industry or trading activity where the area of his residence or place of business has a scope or history of unlawful trading/business activity;
- iii. Where the customer profile is uncertain and/or doubtful according to the perception of the branch ;
- iv. Customers subject to sanctions under UNSCR sanction list, the Office of Foreign Assets Control (OFAC), EU, HMT, adverse media list and organizations banned by Bangladesh Government;
- v. Politically Exposed Persons (PEPs), Influential Persons (IPs) and Chief/ Senior Officials of International Organizationtheir family members/ close associates;

- vi. Trusts, Charities, NGOs and organizations that receive donations;
- vii. High net worth individual/ entity;
- viii. Companies having close family shareholding or beneficial ownership;
- ix. Firms with 'sleeping partners';
- x. Those with dubious reputation as per available public information;
- xi. Non-face-to-face customer;
- xii. Circumstances, in which a customer is permitted to act on behalf of another person/entity (mandate holder/power of attorney holder);
- xiii. Customers from countries that:
  - Do not comply adequately with the FATF recommendations;
  - Are perceived to have high levels of corruption
  - Are considered high-risk countries in terms of ML & TF (countries under sanctions etc.)

## **2.3 Policy for acceptance of customer:**

### **2.3.1. Individual:**

A citizen of Bangladesh who is an adult person of 18 years of age or more, who are competent to enter into contract can open account in individual name or in joint names.

### **2.3.2 Existing Customer:**

Branch must ensure that one customer will have only one identification code (CIF) though he/she/it may has more than one account with the bank.

### **2.3.3 The following concerns can open account on completion of due diligence:**

- i. Proprietorship;
- ii. Partnership;
- iii. Joint Stock Company;
- iv. Limited Companies
- v. NGO, Club, Charitable Organization, Social Organization;
- vi. Local Authorities;
- vii. Executor/ Administrator/ Trustee;
- viii. Liquidator etc.

### **2.3.4 Non-Resident Bangladeshi:**

Non-Resident Bangladeshi can open account through Bangladeshi Mission or legal representative or permanent employee posted abroad or correspondent bank complying with the regulation of Foreign Exchange Regulation Act and Guideline for Foreign Exchange Transactions (GFET).

### **2.3.5 Customers who want to open Foreign Currency Account:**

Resident Bangladeshi, Non-Resident Bangladeshi and Foreign Nationals can be allowed to open Foreign Currency (FC) Account with AD Branches observing formalities & existing law, policy (including GFET-Vol.1) and instructions.

### **2.3.6. Correspondent institution:**

Other banks (Local or Foreign) can be allowed to establish Correspondent Relationship as well as SWIFT RMA (Relationship Management Application) with SBAC Bank after completion of due diligence & KYC formalities subject to approval from the Senior Management of the bank.

**2.3.7. Politically Exposed Persons (PEPs)/ Influential Persons (IPs)/ Chief/ Senior Officials of International Organization posing higher risk or a family member or known close associate of a foreign PEPs,IPs/Chief of International Organization :**

PEPs/ IPs/ Chief or Senior Officials of international organization posing higher risk or a family member or known close associate of a foreign PEPs,IPs/Chief of International Organization can be allowed to open an account with the approval of CAMLCO of the bank. Enhanced due diligence to be exercised for establishing and maintaining relationship with these accounts.

**2.3.8. Special type of customer(s):**

There are different types of people who cannot comply fully with the terms & conditions, laws, rules etc. to become customer, should be considered separately and they may be termed as special customers. Special care should be taken while opening and allowing operation of these accounts. All the required documents are to be obtained maintaining guidelines and acceptable procedure protecting bank's interest. Some examples of special customers are as follows:

**i. Minor:**

A minor is a person who has not attained to the age of 18. Accounts of minor may be opened, which shall be operated by his/her legal guardian up to the date of his/ her attaining majority.

**ii. Illiterate Person:**

Illiterate person(s) can open and operate accounts under his/her/their thumb impression in presence of Branch Manager/ Deputy Manager of the Branch. For withdrawal of money the illiterate person/persons must come personally and shall put thumb impression on the cheques in presence of Branch Manager/ Deputy Manager where he/she/they opened the account.

**iii. Blind Person:**

Blind person(s) can be allowed to open account. Such accounts should be carefully handled by the bank. For withdrawal of money the blind person(s) must come personally and put his/her/their thumb impression/signature on the cheque in the presence of Branch Manager/ Deputy Manager where he/she/they opened the account.

**iv. Purdanashin Ladies:**

Accounts of Purdanashin Ladies can open accounts in presence of female official, in absence of female officials Br . Manager/Deputy Br. Manager will apply their own satisfactory judgment and they have been properly introduced & identified by a respectable party know and acceptable to the Bank.

**v. Underprivileged Persons:**

Special care to be taken for the people who are financially or socially disadvantaged people i.e. street children account, farmer's account etc.

**2.4 Policy for rejection of customer:**

**1. Accounts in fictitious name or numbered account:**

- i. No account shall be opened in anonymous or fictitious name;
- ii. No account shall be opened without having name, address, signature etc.

**2.. Lunatic, person of unsound mind, bankrupt will not be allowed to open account**

**3.Activities of customer:** No account should be opened for customers whose activities are not consistent with the information available about them, their professional activity, their risk profile and the sources of the funds.

**4.Payable Through Account:** Bank will not allow third parties to use its Correspondent Bank Account(s) i.e. in the form of Payable through Account.

**5. ML/TF/PF Suspicious Account:**No account will be opened of the persons or entities who are involved in Money Laundering, Terrorist Financing & Proliferation Financing.

**6.Insolvent:** No individual account in the name of an insolvent shall be opened.

**7. ShellBank:**Bank shall not establish correspondent relationship with shell bank [A shell bank is defined as a bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group] and the bank which is maintaining relationship with shell bank.

**8. Shell Company:** A company that is incorporated but has no significant asset or operation. These companies are often used by fraudulent operators as fronts in many money laundering schemes.

**9. Existence in Sanctions list & Local Banned List:**

**No account shall be opened or operated in the name of any persons or entities listed under United Nations Security Council Resolutions (UNSCRs), OFAC list, EU list, HMT list, Local Banned list & Adverse media list or their close alliance on suspicion of involvement in terrorist or terrorist financing activities and proscribed or enlisted by Bangladesh Government or any sanction list provided by BFU.**

**10. Inadequate KYC Standards** - Branches shall not open an account, where the branch is unable to apply appropriate Customer Due Diligence (CDD) measures, i.e.,

- any individual or entity whose identities cannot be confirmed,
- any individual or entity whose beneficial owner cannot be identified,
- any individual or entity whose information on the purpose and intended nature of the business cannot be obtained,
- who do not provide all required information, or
- who have provided information that is false, or
- who have provided information that contains significant inconsistencies that cannot be resolved after further investigation.

**11. Instructions issued by BFU from time to time would be followed in this regard.**

## CHAPTER-3

### 3.0 ACCOUNT OPENING PROCEDURE AND REQUIRED DOCUMENTS

#### **3.1 General Public**

Special care to be taken for general public to provide Banking service especially for people who are financially or socially disadvantaged as the Customer Acceptance Policy should not so restrictive that it results in a denial of access by the above category people

#### **3.2 General principles to be followed while opening account:**

1.1	Customer approaches the Branch to open account or the branch officials or sourcing officials (BM/DM/Designated Officer) approach the customer to open an account with the Bank.
1.2	The customer is appraised by the branch official as per SBAC Bank Customer Acceptance Policy. The customer is apprised of the documents required as per the indicative list of standard documents which are mentioned in section 3.6 to open account.
1.3	Customer submits the required documents and duly filled in AOF –  <b>Note:-</b> Customer submits photocopies of documents along with the originals (original to be returned after verification) as required.
1.4	SBAC Bank official has a face to face discussion with customer. Simultaneously, documents are also checked by the SBAC Bank official. After discussion with the customer and checking the documents, branch identifies- i. whether there is/ are any beneficial owner(s) of the account. If yes, branch obtains information of beneficial owner(s) in individual information form and documents in support of the same. ii. whether the account holder or individual linked with the account is/are politically exposed person(s)/ influential person(s)/ top official(s) of any international organization posing higher risk or a family member or known close associate of a foreign PEPs,IPs/Chief of International Organization. If yes, branch performs enhanced CDD and submits the AOF along with supporting documents to CAMLCO seeking approval for opening the account. iii. whether the customer belongs to high risk category as per risk register or as per KYC profile. If yes, branch performs enhanced CDD. iv. whether the customer is a US person as per FATCA. - If yes, branch obtains document and information as per SBAC Bank circular -If no, branch official has the FATCA Assessment form filled up and signed by the customer.
1.5	Branch official compares the photocopies of the documents with originals. If satisfied, branch official affixes original seen stamp and attests the photocopies of the documents submitted.
1.6	Branch official verifies the authenticity of as well as information in NID with Election Commission (EC) database through a web link to EC. Branch official enters the NID number and date of birth for verification. If the screen shows that “Verification is Failed”, branch official rejects the customer.  In case of successful verification, branch official compares the image with the hard copy of NID. If everything matches, branch official takes printout of the same and preserves it with AOF with verification seal, signature and date on it. If there is any mismatch of information between the two, branch official rejects the customer.
1.7	Customer has him/her introduced by an existing account holder or a reputable person, acceptable to the bank. Branch official checks whether the photograph of account holder is attested by introducer and the signature of the introducer matches with the one available in CBS.  <b>Note:</b> Introducer is maintaining regular CD/SB/SND account (not dormant or closed), has sufficient balance in the account, has regular transaction in his account, well known to the bank.
1.8	Customer puts his/her signature at the appropriate places in the AOF and other submitted forms in presence of the Branch official or sourcing official.

1.9	Branch/sourcing official asks the customer whether he/she is maintaining account relationship with any of the SBACBank branches. If the customers remember/disclose any existing account, branch official will check the information with CBS.
1.11	If the customer declares to have no prior relationship with SBAC Bank, branch official performs duplicate checking based on the customer's information.
1.12	Branch official admits all the signatures of the customer in AOF and other submitted forms.
1.13	Branch official forwards the AOF along with supporting documents to BM for approval.
1.14	<p>If satisfied, BM approves and puts the signature in the AOF and other required documents.</p> <p>If, not satisfied, BM returns the AOF along with the supporting documents to respective branch official seeking more documents/clarifications.</p> <p>Branch official asks for documents from the customer as introduced by the Branch Manager.</p> <p>Upon receiving such addition/supporting documents from the customer and again send the AOF to the BM for approval.</p>
1.15	Branch official creates new Customer ID with required fields in CBS.
1.16	<p>The new Customer is screened against different sanction list i.e. UNSCR, OFAC, EU, HMT and list of entities banned by Bangladesh Government as well as the adverse media list and screening report is generated.</p> <ol style="list-style-type: none"> <li>i. If no match is found after screening, no authorization is required, branch official proceeds further marking it as "no match" and keeping the report with AOF.</li> <li>ii. If any match is found against the Customer information, branch verifies other information with the match details: <ol style="list-style-type: none"> <li>I. If it is a clear mismatch, authorized official at branch selects the level of mismatch, marks the screening result as false positive, takes printout of the report and preserve the same with AOF.</li> <li>II. If the branch official feels to take opinion of higher authority in case of any confusion or doubt, he/she escalates the issue to BAMLCO.</li> </ol> </li> <li>iii. If the BAMLCO finds it false positive, he/she selects the level of mismatch, marks the screening result as false positive and takes printout of the report. BAMLCO also instructs branch official to preserve the report with AOF.</li> <li>iv. If the BAMLCO finds enough reason to consider the match as true positive, he/she escalates the issue to D-CAMLCO of AML &amp; CFT Division or his designate for guidance and acts as per guideline. BAMLCO also instructs branch official to preserve the relevant documents &amp; correspondences in a file.</li> </ol>
1.17	Assigned authorizer verifies the information in AOF & supporting documents.
1.18	Branch official creates a new account with the newly created Customer ID.
1.19	Branch official shares the account number with the customer to facilitate deposit of initial amount (in cash) through bank's deposit slip and keeps the bank's copy for further reference.
1.20	<p>After account creation, branch verifies the address(es) of account holder through any of the following means:</p> <ol style="list-style-type: none"> <li>i. Sending thanks letter to each account holder and introducer and receiving acknowledgement receipt. In case of non-receipt of this acknowledgement or any unsatisfactory answer from the account holder or the introducer, branch must take necessary measure.</li> <li>ii. Physical verification of address by branch official</li> <li>iii. Obtaining copy of utility bill/utility card on satisfaction of the branch official (not beyond 3 months old). The bill should be in the name of the applicant (individual, proprietor, partner etc.) or his/her/ their parent's name; <b>If the verification report is positive:</b></li> </ol> <p>If the address mentioned in AOF is found correct and customer resides/ conducts business activity there, then branch official issues cheque book and/or debit card to the customer.</p>



	<p><b>If the verification report is negative:</b></p> <p>If the address mentioned in AOF is found incorrect or the address is correct but customer does not reside/conduct business activity there, branch writes comment in special instruction and takes initiative to verify the address once again. Branch does not deliver cheque/ debit card to the customer until verification of the address.</p> <p>If the verification report is again negative, branch official requests the customer to provide details of his/her residence/ business address.</p> <p>i. Branch arranges physical visit to the address by branch official if not visited earlier.</p> <p>I. If the address is found correct and customer resides/ conducts business activity there, branch official submits a visit report, makes the account operative and issues cheque book and/or debit card.</p> <p>II. Otherwise, branch official closes the account with the approval of competent authority, giving prior notice to the customer.</p> <p>ii. If the customer does not respond or cooperate, branch official follows II of the above.</p>
1.21	Relevant others documents and information to be obtained.
1.22	All the account opening documents are preserved with AOF.
1.23	<p>Transaction profile is entered into the system by maker and the same is approved by checker.</p> <p>Note: Transaction profile (TP) is maintained to monitor fund movement activity of customer's Account. Transaction profile (TP) is monthly (expected/approximate) limit declared by customer on number of transactions, maximum amount and total amount for cash, clearing, transfer, foreign remittance, export-import and others. Initial TP is monitored with actual transactions and updated (if required) within six months/twelve month of account opening as per BFIU Circular.</p>
1.24	<p>Branch official completes KYC profile form both in hard copy and CBS.</p> <p>Branch official completes KYC profile form for beneficial owner both in hard copy and CBS (where applicable).</p>
1.25	<p>Checker (BM) verifies the KYC details in hard copy as well as in system.</p> <p><b>Note:-</b></p> <p>KYC to be updated if there is any change in customer information. If any change in TP affects the KYC, then KYC to be updated.</p> <p>KYC of high risk accounts to be updated every 01 years</p> <p>KYC of low risk accounts to be updated on every 05 years</p>

### **3.3 Responsibilities**

The responsibility of implementation of the policy is to be attributed primarily to the account opening officer, Branch Anti Money Laundering Compliance Officer (BAMLCO) and the Manager of the Branch. Whole responsibilities for implementation of this policy shall lie with the Bank.

### **3.4 Customer type wise account opening and operating procedure special check points:**

Branch is required to be certain about the customer's identity and underlying purpose of establishing relationship with the bank and should collect sufficient information up to its satisfaction. While establishing and maintaining relationship, Customer Due Diligence measures to be conducted based on:

- i. Type of customers;
- ii. Business relationship with the customer;
- iii. Type of banking products; and;
- iv. Transaction carried out by the customer.

While considering the above, some due diligence need to be performed in addition to the ones described under general principles:

Customer Type	Procedure
Individual	1. In case, customer is involved in multiple profession/ business, bank shall consider nature of business with highest risk rating while completing KYC profile form.
Joint Account Holder	Bank shall: i. Ensure the purpose of opening joint account; ii. Identify the relationship between/ among the applicants; iii. Complete due diligence for all the applicants; iv. Complete separate KYC for all the applicants. Highest risk grading shall be the risk grading of the account
Existing Customer	Bank shall: i. Ensure the purpose of opening an additional account; ii. Make sure that the account is opened under the same CRM; iii. Update information of CRM supported by document if there is any change (in compliance with SBAC BankGB manual).
Self employed individuals/ professionals	Bank shall collect document(s) in support of profession/ written declaration on “self employment”.
Proprietorship	Bank shall: Complete KYC for the concern as well as for the proprietor; i. Accounts opened in the name of proprietary concern shall be operated by the proprietor. Any person other than proprietor shall be allowed to operate the account if authorized to do so either by mandate or power of attorney; ii. Have all account opening documents signed with seal; iii. Not accept nominee for proprietary concern as per section 103 of Bank Company Act 1991 (Amendment 2013).
Partnership Firm	Bank shall: i. Study the clauses under partnership deed and prefer deed that is registered; ii. Complete KYC for the firm as well as for the partners; iii. Complete due diligence for all the partners; iv. Have all account opening documents signed with seal; v. Not accept nominee for Partnership Firm as per section 103 of Bank Company Act 1991 (Amendment2013).
Limited Company	Bank shall: i. Examine the control structure of the entity, identify the beneficial owner (as per BFIU circular); ii. Ascertain the power of the signatories with regard to the operation of the account as per Board Resolution/Articles of Association; iii. Complete due diligence for all the signatories and directors; iv. Complete KYC for the limited company as well as for Beneficial Owner(s); v. Have all account opening documents signed with seal; vi. Not accept nominee for Limited Company as per section 103 of Bank Company Act 1991 (Amendment 2013).

Executors, Administrator, Trustee	Bank shall: i. Determine whether the customer is acting on behalf of another person as executor/ administrator/trustee. If so, obtain satisfactory evidence of the identity of the executor/ administrator/trustee and of the persons on whose behalf they are acting; ii. Ensure power of signatories during operation of the account as per the trust deed.
NGO, Club, Charitable Organization, Social Organization, Societies, and Associations etc.	Bank shall: i. Check the resolution from the board/governing body/executive committee and specify the persons authorized to operate the account; ii. Obtain an undertaking as well as fresh resolution from Governing Body/Board of Trustees/Executive Committee /sponsors to inform the bank about any change of control or ownership during operation of the account.
Foreign Nationals	Bank shall: i. Ensure the purpose of opening account; ii. Check whether the individual have enough documents to support his/her stay in Bangladesh; iii. Follow Foreign Exchange Regulation Act, 1947 and Guideline for Foreign Exchange Transaction meticulously.
Non Resident Bangladeshi	Bank shall: i. Ensure the purpose of opening account; ii. Check whether the individual have enough documents to support his/her stay outside Bangladesh; iii. Make sure that copies of identity and residence proof documents sighted in original by the bank official or duly attested by representative of bank in respective country /Bangladesh Embassy or high-commission/ through legal representative to the satisfaction of the bank; iv. Foreign Exchange Regulation Act, 1947 and Guideline for Foreign Exchange Transaction to be followed meticulously.
Politically Exposed Persons (PEPs), Influential Persons, Senior Officials or Chief of International Organization, their family members and close associates	Bank shall: i. Ensure the purpose of opening account; ii. Obtain prior approval from CAMLCO, Head Office for opening account in the name of PEPs/IPs/ Senior Officials or Chief of International Organization (IO) and their family members or close associates. iii. Perform Enhanced CDD measures while establishing and maintaining relationship with PEPs/IPs/Senior Official or Chief of International Organization (IO) and their family members or close associates considering the accounts as high risk. iv. Ensure KYC to be completed properly; v. Ensure Transaction Monitoring of account, source of fund and risk categorization of the customer; vi. Follow BFIU Circular No. 26 dated 16.06.2020 directives meticulously; vii. Perform all formalities as detailed in Foreign Exchange Regulation Act, 1947 and Guidelines for Foreign Exchange transactions to be followed meticulously and TP to be obtained.
Salaried Employees	In case of high officials of government office bank shall perform enhanced CDD measures.
Government Organization	Bank shall: i. Ensure purpose of opening the account; ii. Ensure the identification of signatory (identity, designation, authority to operate) supported by documents and update the same from time to time as required; iii. Ensure that Government accounts are not opened in the personal names of the Government Official(s).

Walk-in customer ( non account-based customers	<ul style="list-style-type: none"> <li>i. Bank shall obtain complete and accurate information of the applicant as well as the beneficiary;</li> <li>ii. Bank will apply CDD on Walk-in customers and on-line customers following BFIU Circular No. 26 dated 16.06.2020 directives meticulously.</li> </ul>
Correspondent Bank/Institution	<p>Bank shall:</p> <ul style="list-style-type: none"> <li>i. Follow Foreign Exchange Regulation Act, 1947 and Guideline for Foreign Transaction meticulously;</li> <li>ii. Gather sufficient information to understand fully the nature of the business of the correspondent/respondent bank while entering into any kind of correspondent banking arrangement;</li> <li>iii. Check information on correspondent bank's management, major business activities, level of AML/CFT compliance, purpose of opening the account, identity of any third party entities that will use the correspondent banking services, and regulatory/supervisory framework in the correspondent's/respondent's country;</li> <li>iv. Ascertain publicly available information whether the correspondent bank has been subject to any money laundering or terrorist financing investigation or regulatory action;</li> <li>v. Complete the AML &amp; CFT Questionnaire for Correspondent Relationship available with BFIU Circular No. 26, dated June 16, 2020;</li> <li>vi. Obtain approval of CAMLCO prior to establishing relationship as well as continuing existing relationship;</li> <li>vii. Perform enhanced monitoring on an ongoing basis and KYC to be reviewed regularly.</li> </ul>
Customer who wants to open Resident Foreign Currency Deposit (RFCD) Account:	<p>Bank shall:</p> <ul style="list-style-type: none"> <li>i. Ensure the purpose of opening account;</li> <li>ii. Persons ordinarily resident in Bangladesh may open RFCD account with foreign exchange brought in at the time of their returns from travel abroad;</li> <li>iii. Resident persons may open this account at any time after their return to Bangladesh;</li> <li>iv. Foreign currency deposited in this account is freely convertible into Taka. Deposited foreign currency may easily be sent abroad through Banking channel;</li> <li>v. Foreign Exchange Regulation Act, 1947 and Guideline for Foreign Exchange Transaction and circulars issued from respective department of Bangladesh Bank to be followed meticulously;</li> </ul>
Customer who wants to open Non-Resident Foreign Currency Deposit (NFCD) Account	<p>Bank shall:</p> <ul style="list-style-type: none"> <li>i. Ensure the purpose of opening account;</li> <li>ii. NFCD account may be opened in our Authorized Dealer branches by - <ul style="list-style-type: none"> <li>- Bangladeshi working/residing abroad;</li> <li>- Bangladeshi having dual nationality residing abroad;</li> <li>- Bangladeshi nationals serving with missions of Bangladesh in foreign countries;</li> <li>- Officers/staff of the government/semi-government organizations/ nationalized Banks and employees of corporate body posted abroad or deputed with international and regional agencies in foreign countries against foreign currency remitted through Banking channel or brought in cash;</li> </ul> </li> <li>iii. This account may be opened in US Dollar, Pound Sterling &amp; EURO;</li> <li>iv. Foreign currency deposited in this account is freely convertible into Taka. Deposited foreign currency may easily be sent abroad through Banking channel. Moreover, foreign currency in cash may be taken from this account while visiting abroad;</li> <li>v. Foreign Exchange Regulation Act, 1947 and Guideline for Foreign Exchange Transaction and circulars issued from respective department of Bangladesh Bank to be followed meticulously.</li> </ul>
<b>Special Type</b>	

Minor	<p>Bank shall:</p> <ol style="list-style-type: none"> <li>i. Have all account opening documents signed off by the guardian</li> <li>ii. Have the account operated by the signature of the guardian</li> <li>iii. Complete separate KYC profile for minor and the guardian. KYC profile with higher risk shall be considered as the risk rating of the account.</li> </ol>
Illiterate Person/ Blind Person	<p>Bank shall:</p> <ol style="list-style-type: none"> <li>i. Ensure the purpose of opening account;</li> <li>ii. Obtain the thumb (left for male and right for female) impression of the customer on both</li> <li>iii. AOF and SS Card in front of the Branch Manager/Deputy Manager/authorized supervising Branch official(s);</li> <li>iv. Ensure that in case of withdrawal of money, the illiterate person/blind person comes personally in the branch where he/she/they opened the account;</li> <li>v. KYC of the illiterate/Blind person to be completed, TP to be obtained and Source of fund to be ensured.</li> </ol>
Purdanashin Ladies	<p>Bank shall:</p> <ol style="list-style-type: none"> <li>i. Ensure the purpose of opening account;</li> <li>ii. KYC of the Purdanashin ladies to be completed and TP to be obtained.</li> <li>iii. Source of fund to be ensured</li> </ol>

### **3.5 Document or strategy for verification of address:**

- i. Checking the National ID Card.
- ii. Acknowledgement receipt of thanks letter to customer through postal department/courier.
- iii. Proof of delivery of Thanks Letter through postal department/courier.
- iv. Physical verification report of Bank official.
- v. Copy of utility bill (Gas/Electricity/Water/Telephone bill), utility card on satisfaction of the dealing officer (not beyond 3 months old). The bill should be in the name of the applicant (individual, proprietor, partner or entity etc.) or his/her/their parent's name.
- vi. Residential/business addresses appearing on an official document prepared by a Government Agency.

### **3.6 Indicative list of Standard Documents for Account Opening & Verification:**

Establishing the identity of Customers is vital under Customer Due Diligence (CDD)/KYC policy, for acceptance or rejection of customer. The customer identification means identifying the customer and verifying his/her identity by using reliable independent source, documents, data or information. Copies of papers/documents to be obtained as required and to be duly attested by authorized officer of the branch with official seal and to be preserved with the account opening form very carefully. Customer wise indicative list of required documents are stated below are in brief. Please note, documents are to be obtained according to Acts, Rules, Laws, Manuals, Guidelines, Circulars, Circular letters issued from concerned Authority including various Divisions/Departments of Head Office time to time. Bank shall also perform additional due diligence as it deems required.

**Documents to be obtained:**

Customer type	Indicative list of standard documents	Document for verification of profession, nature of business and sources of funds
Individuals/ Joint Account Holders	<ol style="list-style-type: none"> <li>1. Document(s) in support of identity of the applicant(s), nominee(s) and Beneficial Owner (if any): <ul style="list-style-type: none"> <li>➤ Passport;</li> <li>➤ National Id Card;</li> <li>➤ Birth Registration Certificate (Printed copy, with seal &amp; signature from the Registrar);</li> <li>➤ Photograph of applicant(s) (attested by introducer) and nominee(s) (attested by applicant);</li> <li>➤ Valid driving license (if any) ;</li> <li>➤ Credit Card (if any);</li> <li>➤ Armed Forces ID card (if any);</li> <li>➤ Any other documents that satisfy to the bank;</li> </ul> </li> <li>2. Document(s) in support of profession, income/ source(s) of fund(s)</li> <li>3. E- TIN Certificate (if any)</li> </ol>	<ul style="list-style-type: none"> <li>➤ Salary Certificate (for salaried person);</li> <li>➤ Employed ID (For ascertaining level of employment);</li> <li>➤ Self declaration acceptable to the bank (commensurate with declared occupation);</li> <li>➤ Documents in support of beneficial owner's income (source of fund of house wife, students etc.);</li> <li>➤ Trade License if the customer declared to be a business person;</li> <li>➤ E-TIN (if any);</li> <li>➤ Documents of property sale. (if any);</li> <li>➤ Other bank statement (if any);</li> <li>➤ Document of FDR encashment (if any);</li> <li>➤ Document of foreign remittance (if any fund comes from outside the country);</li> <li>➤ Document of retirement benefit;</li> <li>➤ Bank loan documents (if any);</li> </ul>
Sole Proprietorships or Individuals doing business	<ol style="list-style-type: none"> <li>1. Document(s) in support of identity of the Proprietor: <ul style="list-style-type: none"> <li>➤ Passport;</li> <li>➤ National ID Card;</li> <li>➤ Birth Registration Certificate (Printed copy, with seal &amp; signature from the Registrar) + Other photo ID acceptable to the bank ;</li> <li>➤ Valid driving license (if any);</li> <li>➤ Credit Card (if any);</li> <li>➤ Photograph of proprietor (attested by introducer).</li> </ul> </li> <li>2. Document(s) in support of identity of the Proprietorship Concern: <ul style="list-style-type: none"> <li>➤ Trade License;</li> <li>➤ Rent receipt of the shop (if the shop is rental);</li> <li>➤ Ownership documents of the shop ( i.e purchase documents of the shop or inheritance documents);</li> <li>➤ Membership certificate of any association. (Chamber of commerce, market association, trade association i.e.; Hardware association, cloth merchant association, hawker's association etc;</li> <li>➤ Any other documents that satisfy the bank.</li> </ul> </li> <li>3. E-TIN Certificate (if any)</li> <li>4. Documents supporting the nature of business</li> <li>5. Documents in support of source(s) of fund(s)</li> </ol>	<ul style="list-style-type: none"> <li>➤ Trade License;</li> <li>➤ E- TIN;</li> <li>➤ Self declaration acceptable to the bank. (commensurate with nature and volume of business);</li> <li>➤ Documents of property sale. (if injected any fund by selling personal property);</li> <li>➤ Other bank statement (if any);</li> <li>➤ Document of FDR encashment (if any fund injected by en- cashing personal FDR);</li> <li>➤ Document of foreign remittance (if any fund comes from outside the country);</li> <li>➤ Bank loan documents (if any);</li> <li>➤ Personal borrowing (if any);</li> </ul>

Partnership firm	<p><b>1. Document(s) in support of identity and operation of the Partnership Firm:</b></p> <ul style="list-style-type: none"> <li>➤ Trade License</li> <li>➤ Partnership deed/ partnership letter</li> <li>➤ Registered partnership deed (if registered)</li> <li>➤ Resolution of the partners, specifying operational guidelines/ instruction of the partnership account.</li> <li>➤ Rent receipt of the shop (if the shop is rental)</li> <li>➤ Ownership documents of the shop ( i.e. purchase documents of the shop or inheritance documents)</li> <li>➤ Membership certificate of any association. (Chamber of comers, market association, trade association i.e.; Hardware association, cloth merchant association, hawker’s association etc.</li> <li>➤ Any other documents that satisfy the bank.</li> </ul> <p><b>2. Document(s) in support of identity of the partners</b></p> <ul style="list-style-type: none"> <li>➤ Passport of partners</li> <li>➤ National Id Card of partners</li> <li>➤ Birth Registration Certificate of partners (Printed copy, with seal &amp; signature from the Registrar) + Other photo ID acceptable to the bank</li> <li>➤ Photograph of partners (attested by introducer);</li> <li>➤ Valid driving license of partners (if any) ;</li> <li>➤ Credit Card of partners (if any).</li> <li>➤ Valid driving license of partners (if any) ;</li> </ul> <p><b>3. E-TIN Certificate (if any)</b></p> <p><b>4. Documents supporting the nature of business</b></p> <p><b>5. Documents in support of source(s) of fund(s)</b></p>	<ul style="list-style-type: none"> <li>➤ Trade License;</li> <li>➤ E-TIN;</li> <li>➤ Documents of property sale. (if injected any fund by selling personal property of a partner);</li> <li>➤ Other bank statement (if any);</li> <li>➤ Document of FDR encashment (if any partner injected capital by enchasing Personal FDR);</li> <li>➤ Document of foreign remittance (if any fund comes from outside the country);</li> <li>➤ Bank loan documents (if any);</li> <li>➤ Personal borrowing (if any);</li> </ul>
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<b>Private Limited Company</b>	<ul style="list-style-type: none"> <li>➤ Passport of all the directors;</li> <li>➤ National ID Card of all the directors;</li> <li>➤ Photograph of directors (attested by introducer);</li> <li>➤ Certificate of incorporation;</li> <li>➤ Memorandum and Articles of Association;</li> <li>➤ List of directors;</li> <li>➤ Resolution of the board of directors to open an account and identification of those who have authority to operate the account;</li> <li>➤ Power of attorney granted to its Managers, Officials or Employees to transact business on its behalf;</li> <li>➤ Nature of the company's business;</li> <li>➤ Expected monthly turnover;</li> <li>➤ Identity of beneficial owners, holding 20% interest or more of having control over the company's assets and any person (or persons) on whose instructions the signatories of the account act where such persons may not be a full time employee , officer or director of the company;</li> <li>➤ Documents in support of source(s) of fund(s);</li> <li>➤ E-TIN Certificate (if any).</li> </ul>	<ul style="list-style-type: none"> <li>➤ A copy of last available financial statements duly authenticated by competent authority;</li> <li>➤ Other bank statement;</li> <li>➤ Trade License;</li> <li>➤ E-TIN;</li> <li>➤ VAT registration;</li> <li>➤ Bank loan documents (if any).</li> </ul>
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<b>Public Limited Companies</b>	<ul style="list-style-type: none"> <li>➤ Passport of all the directors;</li> <li>➤ National ID Card of all the directors;</li> <li>➤ Photograph of directors (attested by introducer);</li> <li>➤ Certificate of incorporation;</li> <li>➤ Memorandum and Articles of Association;</li> <li>➤ Certificate of commencement of business;</li> <li>➤ List of directors in form –XII;</li> <li>➤ Resolution of the board of directors to open an account and identification of those who have authority to operate the account;</li> <li>➤ Power of attorney granted to its Managers, Officials or Employees to transact business on its behalf;</li> <li>➤ Nature of the company's business;</li> <li>➤ Expected monthly turnover;</li> <li>➤ Identity of beneficial owners, holding 20% interest or more of having control over the company's assets and any person (or persons) on whose instructions the signatories of the account act where such persons may not be a full time employee , officer or director of the company;</li> <li>➤ Documents in support of source(s) of fund(s);</li> <li>➤ E-TIN Certificate (if any);</li> </ul>	<ul style="list-style-type: none"> <li>➤ A copy of last available financial statements duly certified by a professional accountant;</li> <li>➤ Other bank statement (if any);</li> <li>➤ Trade License;</li> <li>➤ E-TIN;</li> <li>➤ Cash flow statement;</li> <li>➤ VAT registration;</li> <li>➤ Bank loan documents (if any);</li> <li>➤ Any other documents of legal source.</li> </ul>
<b>Government-Owned entities</b>	<ul style="list-style-type: none"> <li>➤ Status of formation of the entity;</li> <li>➤ Document to open an account ;</li> <li>➤ Identification of those who have authority to operate the account;</li> <li>➤ Passport of the operator (s) or National Id Card of the operator (s).</li> </ul>	<p>N/A</p>
<b>NGO</b>	<ul style="list-style-type: none"> <li>➤ National ID Card of the operator (s);</li> <li>➤ Passport of the operator (s);</li> <li>➤ Photograph of signatories/ operators (attested by introducer);</li> <li>➤ Resolution of the board of directors to open an account and identification of those who have authority to operate the account;</li> <li>➤ Documents of nature of the NGO;</li> <li>➤ Certificate of registration issued by competent authority;</li> <li>➤ Bye-laws ( certified copy);</li> <li>➤ List of Management Committee/ Directors;</li> <li>➤ Documents in support of source(s) of fund(s);</li> <li>➤ E-TIN Certificate (if any)</li> </ul>	<ul style="list-style-type: none"> <li>➤ A copy of last available financial statements duly certified by a professional accountant.</li> <li>➤ Other bank statement</li> <li>➤ E-TIN</li> <li>➤ Certificate of grant / aid</li> <li>➤ Any other documents of legal source</li> </ul>

<b>Charities or Religious Organizations</b>	<ul style="list-style-type: none"> <li>➤ National ID Card of the operator (s);</li> <li>➤ Passport of the operator (s);</li> <li>➤ Photograph of signatories/ operators (attested by introducer);</li> <li>➤ Resolution of the Executive Committee to open an account and identification of those who have authority to operate the account;</li> <li>➤ Documents of nature of the Organizations;</li> <li>➤ Certificate of registration issued by; competent authority (if any)</li> <li>➤ Bye-laws ( certified copy);</li> <li>➤ List of Management Committee/ Directors;</li> <li>➤ Documents in support of source(s) of fund(s).</li> </ul>	<ul style="list-style-type: none"> <li>➤ A copy of last available financial statements duly certified by a professional accountant;</li> <li>➤ Other Bank statement;</li> <li>➤ Certificate of grant / aid;</li> <li>➤ Any other documents of legal source;</li> </ul>
<b>Clubs or Societies</b>	<ul style="list-style-type: none"> <li>➤ National ID Card of the operator (s);</li> <li>➤ Passport of the operator (s);</li> <li>➤ Photograph of signatories/ operators (attested by introducer);</li> <li>➤ Resolution of the Executive Committee to open an account and identification of those who have authority to operate the account;</li> <li>➤ Documents of nature of the Organizations;</li> <li>➤ Certificate of registration issued by competent authority (if any);</li> <li>➤ Bye-laws ( certified)</li> <li>➤ List of Management Committee/ Directors;</li> <li>➤ Documents in support of source(s) of fund(s).</li> </ul>	<ul style="list-style-type: none"> <li>➤ A copy of last available financial statements duly certified by a professional (if registered);</li> <li>➤ Other bank statement;</li> <li>➤ Certificate of grant / aid;</li> <li>➤ Subscription;</li> <li>➤ If unregistered declaration of authorized person/ body.</li> </ul>
<b>Trusts, Foundations or similar entities</b>	<ul style="list-style-type: none"> <li>➤ National ID Card of the trustee (s);</li> <li>➤ Passport of the trustee (s);</li> <li>➤ Photograph of signatories/ operators (attested by introducer);</li> <li>➤ List of trustee(s);</li> <li>➤ Resolution of the managing body of the Foundation/ Association to open an account and identification of those who have authority to operate the account;</li> <li>➤ Certified true copy of the Trust Deed;</li> <li>➤ Bye-laws ( certified copy);</li> <li>➤ Power of attorney allowing transaction in the account;</li> <li>➤ Documents in support of source(s) of fund(s).</li> </ul>	<ul style="list-style-type: none"> <li>➤ A copy of last available financial statements duly certified by a professional (if registered);</li> <li>➤ Other bank statement;</li> <li>➤ Donation.</li> </ul>

<b>Financial Institutions (NBFI)</b>	<ul style="list-style-type: none"> <li>➤ Passport of all the directors;</li> <li>➤ National ID Card of all the directors;</li> <li>➤ Photograph of directors (attested by introducer);</li> <li>➤ Certificate of incorporation;</li> <li>➤ Memorandum and Articles of Association;</li> <li>➤ Certificate of commencement of business;</li> <li>➤ List of directors in form -XII;</li> <li>➤ Resolution of the board of directors to open an account and identification of those who have authority to operate the account;</li> <li>➤ Power of attorney granted to its Managers, Officials or Employees to transact business on its behalf;</li> <li>➤ Nature of the company's business;</li> <li>➤ Expected monthly turnover;</li> <li>➤ Identity of beneficial owners, holding 20% interest or more of having control over the company's assets and any person (or persons) on whose instructions the signatories of the account act where such persons may not be a full time employee , officer or director of the company;</li> <li>➤ Documents in support of source(s) of fund(s);</li> <li>➤ E-TIN Certificate (if any).</li> </ul>	<ul style="list-style-type: none"> <li>➤ A copy of last available financial statements duly certified by a professional accountant;</li> <li>➤ Bank loan documents (if any);</li> <li>➤ Other bank statement;</li> <li>➤ Trade License;</li> <li>➤ E-TIN;</li> <li>➤ VAT registration;</li> <li>➤ Cash flow statement.</li> </ul>
<b>Embassies/ Missions/High Commissions (Private Foreign Currency Account, Convertible Taka Account)</b>	<ul style="list-style-type: none"> <li>➤ Completed account opening form</li> <li>➤ Appointment letter/transfer order of the high commissioner/ambassador/expatriate employee.</li> <li>➤ Copy of permit as diplomat/expatriate employee from foreign ministry of Bangladesh.</li> <li>➤ Copy of passport of the individual(s) who is/are the operator or signatory of account.</li> <li>➤ Two copies of photographs of operator/signatory.</li> <li>➤ Photographs to be attested duly.</li> <li>➤ Approval/authorization letter for opening FC account in official pad of the Embassy/Mission mentioning the name and designation of the signatory/operator of the account with his/her specimen signatures.</li> </ul>	<p>N/A</p>

<p>Expatriate employees of Embassy/Missions (Private Foreign Currency Account, Convertible Taka Account)</p>	<ul style="list-style-type: none"> <li>➤ Completed account opening form</li> <li>➤ Copy of passport of individual with visa for staying in Bangladesh.</li> <li>➤ Appointment letter/transfer order of high commissioner, ambassador/expatriate employee.</li> <li>➤ Completed KYC Form</li> <li>➤ Approval/authorization letter for opening FC account in official pad of the Embassy/Mission mentioning the name and designation of the signatory/operator of the account with his/her specimen signature.</li> <li>➤ Photographs and signature of nominee</li> <li>➤ Two copies of attested photographs of account holder</li> <li>➤ Mark the account as PEPs account &amp; conduct EDD</li> <li>➤ QA-22 Form (as per FEX guideline)</li> <li>➤ Approval from CAMLCO for PEPs account.</li> </ul> <p>Note: Expatriate employees of the Embassies/Missions/High Commissions may also open savings account for withdrawing their money in local currency.</p>	<p>N/A</p>
<p>Foreign National (Individual)</p>	<ol style="list-style-type: none"> <li>1. Document(s) in support of identity of the applicant(s), nominee(s) and Beneficial Owner (if any): <ul style="list-style-type: none"> <li>➤ Passport along with VISA page;</li> <li>➤ Photograph of applicant(s) (attested by introducer) and nominee(s) (attested by applicant);</li> <li>➤ Valid driving license (if any);</li> <li>➤ Credit Card (if any);</li> <li>➤ Any other documents that satisfy the bank.</li> </ul> </li> <li>2. Form QA-22</li> <li>3. Documents in support of stay in Bangladesh</li> <li>4. Documents in support of profession and source(s) of fund(s)</li> </ol>	<ul style="list-style-type: none"> <li>➤ Work permit;</li> <li>➤ Employment Certificate with salary from the employer;</li> <li>➤ Self declaration acceptable to the bank. (commensurate with declared occupation);</li> <li>➤ Documents in support of beneficial owner's income;</li> <li>➤ Other bank statement (if any);</li> <li>➤ Document of foreign remittance (if any fund comes from outside the country).</li> </ul>

<p><b>Foreign National - Firm/ Company/ Joint Venture Contracting</b></p>	<ul style="list-style-type: none"> <li>➤ Form QA-22;</li> <li>➤ Copy of Registration in Bangladesh with Board of Investment/ Bangladesh Bank for Foreign/ Joint Venture Firm/Company;</li> <li>➤ Memorandum and Articles of Association duly certified by RJSC;</li> <li>➤ Copy of Deed of Partnership;</li> <li>➤ Copy of Service Contract/ Appointment Letter/ Work Permit if any for operation of the account;</li> <li>➤ Copy of Bye-laws;</li> <li>➤ Resolution of governing body to open the account and authorization for operation;</li> <li>➤ List of authorized signatories and members of the governing bodies;</li> <li>➤ Copies of relevant pages of valid passport of signatory(s);</li> <li>➤ In case of Foreign signatory (s), Passport with visa page and work permit;</li> <li>➤ In case of Bangladeshi signatory(s), document(s) in support of identity (NID/ Passport/ Birth Registration + any other photo ID acceptable to the bank);</li> <li>➤ Photograph of the signatory(s) (attested by introducer);</li> <li>➤ Documents in support of source(s) of fund(s);</li> </ul> <p>E-TIN Certificate (if any).</p>	<ul style="list-style-type: none"> <li>➤ A copy of last available financial statements duly certified by a professional accountant;</li> <li>➤ Other bank statement;</li> <li>➤ E-TIN;</li> <li>➤ Certificate of grant / aid;</li> <li>➤ Any other documents of legal source;</li> </ul>
<p><b>Non-Resident Bangladeshi (NRB) Account</b></p>	<ul style="list-style-type: none"> <li>➤ Photocopy of relevant pages of the passport duly attested by competent authority;</li> <li>➤ Work/ residence permit;</li> <li>➤ Document(s) in support of identity of the nominee/ beneficial owner (NID/ Passport/ Birth Registration + any other photo ID acceptable to the bank);</li> <li>➤ Photograph of applicant(s) (attested by introducer) and nominee (attested by account holder);</li> <li>➤ Documents in support of profession and source(s) of fund(s).</li> </ul>	<ul style="list-style-type: none"> <li>➤ Employment Certificate with salary from the employer;</li> <li>➤ Employee ID (For ascertaining level of employment);</li> <li>➤ Self declaration acceptable to the bank. (commensurate with declared occupation);</li> <li>➤ Documents in support of beneficial owner's income ;</li> <li>➤ Documents of foreign remittance (if any).</li> </ul>

Minor	<ul style="list-style-type: none"> <li>➤ Document(s) in support of identity of the minor, guardian, nominee and beneficial owner (if any) <ul style="list-style-type: none"> <li>- (NID/ Passport/ Birth Registration Certificate</li> <li>+ registration card/ school ID/ any other phot ID acceptable to the bank) as applicable;</li> </ul> </li> <li>➤ Document(s) in support of profession of guardian;</li> <li>➤ Document(s) in support of Income/ Source(s) of fund(s);</li> <li>➤ E-TIN Certificate (if any);</li> <li>➤ Photograph of the minor and guardian(attested by introducer);</li> <li>➤ Photograph of nominee (attested by applicant);</li> <li>➤ Guardianship certificate issued by competent court (if appointed by court);</li> </ul>	<ul style="list-style-type: none"> <li>➤ Self declaration acceptable to the bank. (commensurate with declared occupation of the guardian),</li> <li>➤ Documents in support of beneficial owner's income.</li> </ul>
Executors, Administrator	<ul style="list-style-type: none"> <li>➤ Letter of administration or probate issued by competent court (as applicable);</li> <li>➤ Details of A/C operator or signatories with document(s) in support of identity (NID/ Passport/ Birth Registration Certificate + any other photo document acceptable to bank);</li> <li>➤ Photograph of the Executor/ Administrator.</li> </ul>	
Correspondent Banking Relationship	Information to be obtained in the format provided by Bangladesh Financial Intelligence Unit (BFIU) and approval to be taken from the CAMLCO before establishment relationship with the respondent Bank.	N/A
NITA- (Individual) Non Resident Investor's Taka Account	<ul style="list-style-type: none"> <li>➤ Copy of the passport including the signature page with other relevant pages to be duly attested by the concerned authority(ies). The concerned authorities are Bangladesh Embassy/ Bangladesh High Commission/ Notary public of the concern countries/ Bank who have correspondence relationship with SBAC Bank;</li> <li>➤ Copy of residence/ work permit or valid visa;</li> <li>➤ Identity proof document of nominee;</li> <li>➤ Documents supplied by SBAC Bank to be duly filled in by the account holder;</li> <li>➤ Photograph of the nominee attested by account holder;</li> <li>➤ Duly filled in Application Form along with specimen signature card;</li> <li>➤ Photographs of applicant(s) attested by bank official / any person acceptable to the SBAC Bank;</li> <li>➤ Document in support of proof of address;</li> <li>➤ Form W9 (for US citizens only).</li> </ul>	<ul style="list-style-type: none"> <li>➤ Copy of employer certificate/ work permit/ I-20 duly attested by the concerned authority(ies);</li> <li>➤ Documents in support of income such as pay slip, bank statement etc.;</li> <li>➤ In case the applicant is a businessman, documents showing existence of the business and business income;</li> <li>➤ Tax payer certificate by client's local authority;</li> <li>➤ Documents in support of beneficial owner's income (as applicable).</li> </ul>

<p>NITA (Non-individual) NonResident Investor's Taka Account</p>	<ul style="list-style-type: none"> <li>➤ Copy of the passport with other relevant pages of the authorized signatories and beneficial owners duly attested by the concerned authority /(ies);</li> <li>➤ Photograph of all authorized signatories and beneficial owners;</li> <li>➤ Any document certifying the registered address of the company;</li> <li>➤ Documents supplied by SBAC Bank to be duly filled in by the account holder;</li> <li>➤ Copy of board resolution concerning opening and operation of NITA duly certified by Chairman/Company Secretary;</li> <li>➤ Copy of list of Directors duly attested by the concerned authority(ies);</li> <li>➤ Copy of Memorandum and articles of association duly attested by the concerned authority(ies);</li> <li>➤ Copy of Certificate of incorporation (as applicable) duly attested by the concerned authority(ies);</li> <li>➤ Specimen signature of account signatories;</li> <li>➤ Letter of Authorization.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Company tax certificate from local authority;</li> <li>➤ A copy of last available financial statements duly certified by a professional accountant; <input type="checkbox"/></li> <li>➤ Bank statement; <input type="checkbox"/></li> <li>➤ Any other documents stating legal source of fund. <input type="checkbox"/></li> </ul>
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**Note:**

- a) If there is one or more beneficial owner of an account, documents in support of identity, profession, source of income and complete & accurate information of beneficial owner(s) to be obtained and preserved and KYC to be completed for beneficial owner.
- b) If a customer wants to authorize another person to operate an account on his/her behalf, duly signed mandate form to be obtained. In addition, complete and accurate information of mandate holder have to be obtained and preserved.
- c) For tax waiver, certificate from NBR is to be obtained.

**3.7 Persons without Standard Identification Documentation:**

The socially or financially disadvantaged such as the elderly, the disabled, students, farmers, for other no-frill account and minors should not be precluded from obtaining financial services just because they do not possess evidence of identity or address where they cannot reasonably be expected to do so. For financial inclusion, in these circumstances a common-sense approach and some flexibility without compromising sufficiently rigorous anti-money laundering procedures is recommended. In this regard our AML & TF Risk Management Guideline and BFIU's Circulars to be followed.

The socially or financially disadvantaged such as the elderly, the disabled, students and minors should not be precluded from obtaining financial services just because they do not possess evidence of identity or address where they cannot reasonably be expected to do so. In these circumstances, a common sense approach and some flexibility without compromising sufficiently rigorous Anti Money Laundering procedures is recommended.

### **3.8 Conclusion**

In order to ensure a strong framework of customer acceptance, the bank will ensure comprehensive implementation of the above policy as well as review of the same at regular interval.

All employees of the bank are advised to be diligent in Banker-Customer relationship and seek the consent of senior officials of the bank in dealing with high risk customers. The bank should aim at providing high quality services at all levels, which we strive to achieve certain quantitative goals. Care must be constantly exercised not to compromise on quality. All Branch Managers are required to follow Customer Acceptance Policy carefully and raise the bank to greater heights of efficiency, transparency and professionalism to ensure zero-level non-compliance with Money Laundering Prevention Act, 2012 (Amendment 2015) and Anti-Terrorism Act, 2009 (Amendment 2012, 2013).

The Bank reserves the right to close any account, which in its opinion has contravened the laws of the country and indicated a reasonable degree of suspicion to be involved in illegitimate business.

It is important that the adoption of customer acceptance policy and its implementation should not become too restrictive and must not result in denial of banking services to general public especially to those who are financially or socially less privileged.