

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

Website: www.bangladeshbank.org.bd

AML Circular No: 27

Date: 15 June, 2011

**Chief Executive/Managing Director
All Non Profit Organizations and Non Government Organizations**

Dear Sir,

Instructions to be followed by the Non Profit Organizations and Non Government Organizations to comply with the provisions of Money Laundering Prevention Act, 2009.

In pursuance of section 2(l) (vii) Money Laundering Prevention Act, 2009 Non Profit Organizations (NPO) and Non Government Organizations (NGO) functioning in Bangladesh have been included in the list of reporting agencies by the gazette notification no. AMLD-01/2010 BB dated 30 September, 2010 which has been circulated through the AML circular no. 26 dated 30 September, 2010. As per the gazette notification Non Profit Organization/Institution means any organization or institution licensed or registered under section 28 of the Companies Act (Bangladesh)-1994 and Non Government Organization means organization or institution licensed or registered under the Voluntary Social Welfare Agencies (registration and control) Ordinance-1961, the Co operative Societies Act-2001, the Societies Registration Act-1860, the Foreign Donation (Voluntary activities) Regulation Ordinance-1978, the Foreign Contributions (Regulation) Ordinance, 1982 and Microcredit Regulatory Authority Act-2006

02. The powers and responsibilities of Bangladesh Bank in preventing and combating money laundering and the responsibilities of the reporting agencies have been delineated respectively in section 23 and 25 of Money Laundering Prevention Act, 2009. Instructions of this circular are issued pursuant to section 23 of Money Laundering Prevention Act, 2009 for compliance of the provisions of the said Act by the Non Profit Organizations and Non Government Organizations.

03. Instructions:

a) Each NPO/NGO shall formulate Anti Money laundering (AML) and Combating Financing of Terrorism (CFT) policy and have it approved by their Board of Directors/ top most committee for proper compliance of the provisions of the Money Laundering Prevention Act, 2009. Each NPO/NGO shall nominate a senior level officer as a contact point to communicate with Bangladesh Bank to facilitate the AML/CFT procedures properly. The name, designation, contact address, telephone number, fax and e-mail address of the officer concerned are to be provided to Bangladesh Bank by each NPO/NGO.

b) Each NPO/NGO shall :

- i) preserve information relating to their goals, objectives and functions in details.
- ii) collect and preserve the correct and complete information of identification of those who control or direct the activities of the organization (senior management, members of the Board of Directors, Executive Committee, Trustee Board or others) in details with supporting documents.

[Information preserved under subpara (i) & (ii) shall be made publicly available]

- iii) preserve the audited annual financial statement, explanatory notes of each sector and all information with supporting documents related to it at least for 5(five) years.
- iv) collect and verify the identification information, relevant experience and other involvements of the selected candidates before recruitment.
- v) preserve details information relating to the functions of their foreign branches (where applicable) and also preserve the updated information of the officers/staff working there.

vi) collect correct and complete information of identification with supporting documents of those customers who have outstanding loan of Tk. 75,000/- (Seventy Five Thousand) or above or deposit balance of Tk. 50,000/- (Fifty Thousand) or above and verify the authenticity of the information/documents and preserve it. They also preserve the identification information/documents of the customers and records of transactions for at least 5(five) years from the date of closure of the relationship with the customer. However, organization that receives foreign aid/grant/donation/loan shall follow the rules delineated in this subpara irrespective of the amount of outstanding loan or deposit balance.

[Here 'Customer' means beneficiary/beneficiaries of NPO/NGO such as any person, group of people, other NPOs/NGOs or any other organization]

c) All customers' transactions of NPOs/NGOs involving Tk. 1,00,000/- (One Lac) and above shall have to be routed through banking channel.

d) The senior management, members of the Board of Directors, Executive Committee, Trustee Board and others (where applicable) shall ensure that all funds are spent in a manner that is consistent with the stated goals, objectives and activities of the NPO/NGO (Annual Independent Audit shall have to be conducted in this regard).

e) The senior management or the Board of Directors (where applicable) shall conduct a quarterly meeting with the officers of their organization on combating money laundering and financing of terrorism and also arrange training program for all of their officers. They shall maintain the record of the meeting and the training conducted.

f) No NPO/NGO functioning in Bangladesh shall receive any fund from any person or organization listed under the resolutions of United Nations Security Council (all other resolutions including UNSCR-1267 and UNSCR-1373). While receiving funds from any country or any person or organization of country under the Public Statement of Financial Action Task Force (FATF), Enhanced Due Diligence (EDD) shall have to be ensured considering the risk. Furthermore, NPO/NGO shall collect the correct and complete identification information and supporting documents of their donors.

[List of persons or organizations under the resolutions of United Nations Security Council is available in www.un.org/sc/committees/1267/consolist.shtml and countries listed under the Public Statement of FATF is available in www.fatf-gafi.org/document/36/0,3746,en_32250379_32236992_46236900_1_1_1_1,00.html]

g) Each NPO/NGO having foreign aid/grant/donation/loan shall receive the clearance document from the appropriate authority, preserve the clearance document and would not return any amount to the donor without the prior approval of the appropriate authority.

h) Each NPO/NGO shall:

i) ensure appropriate monitoring system to ascertain that the fund given to their customers are not used for the purpose of money laundering and financing of terrorism. NPOs/NGOs shall report immediately to the Bangladesh Bank if any incident or transaction identified /appears suspicious to them according to annexure-'Ka'.

ii) report to the Bangladesh Bank immediately if there is any suspicion or request by any donor in using them for such activities as are contrary to the existing AML/CFT regime according to annexure-'Ka'.

i) Each NPO/NGO shall provide such information and any other papers/documents as may be asked for by the Bangladesh Bank.

04. You are requested to ensure compliance of the instructions of this circular and bring the contents of the circular to the notice of all concerned.

Meanwhile please acknowledge receipt.

Yours faithfully,

Sd/-

Enclosed: 1 (One) page.

(Debaprosad Debnath)
General Manager
Phone – 7120659

Reporting Form of Unusual / Suspicious Transaction/Activity

Reference: AML Circular No 27 dated 15/06/2011, Para 3(h)-i,ii).

----- Name of the NPO/NGO

----- Official address of the head office

1. **Detailed information of the suspected person/ institution in the case of the unusual / suspicious transaction/activity :**

2. **Description of Unusual/Suspicious Transaction/activity:**
 - a) Amount of Money Involved:
 - b) Dates of Transaction:
 - c) Name/Branch of the organization where the Unusual/Suspicious Transaction/Activity has occurred:

3. **Reasons/Situations for Treating the Transaction/Activity as Unusual/Suspicious Transaction:**

4. **Other Information:**

Signature of the Officer (Contact Point):

Name of the Officer:

Time:

Date: