# ANNUAL REPORT 2022-23





# Annual Report 2022-23





Bangladesh Financial Intelligence Unit

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### Message from the Governor

In recent times, the global economy has experienced unparalleled instability and uncertainty, posing unforeseen obstacles for policy makers. These challenges encompass recurrent waves of the Covid-19 pandemic, persistent disruptions in supply chains, surges in commodity prices, and the outbreak of the Russia-Ukraine conflict. In 2022, inflation soared to multi-year highs in both advanced and emerging economies, resulting in central



banks significantly missing their inflation targets. Consequently, central banks were forced to rapidly implement monetary tightening measures, especially in the United States, which exerted substantial pressure on the currencies of emerging markets. Moreover, certain developed economies have grappled with serious issues within their banking sectors, ushering in a new era of instability for the world economy.

In accordance with the global scenario, currently Bangladesh is facing some pressure on its foreign exchange (forex) reserves due to demand supply mismatch of foreign currency. This pressure results from factors like the growing use of informal remittance systems like hundi/hawala and trade based money laundering. These activities have depleted forex reserves and led to price increases in various goods and services, causing inflation and economic strain. To address this issue, Bangladesh Bank and Bangladesh Financial Intelligence Unit (BFIU) have taken effective coordinated measures, including regulatory changes and enforcement actions, to stabilize the forex market. BFIU was also highly proactive in combating financial crime and fraud on digital platforms, thereby facilitating a seamless transition towards digital transformation in financial services.

We acknowledge and commend the vigilance of the BFIU, our primary watchdog against Money Laundering and Terrorist Financing. BFIU has demonstrated commitment in identifying threats within the financial sector, disseminating intelligence reports, and raising awareness which is reflected in the improvement of Bangladesh in Basel AML Index by 5 notches. We appreciate their efforts and their preparation of the Annual Report for the financial year 2022-23. We extend our gratitude to the BFIU team for their detailed yet concise summary of actions in the previous financial year which reflects the significant increase of their activities, especially in intelligence report dissemination, information exchange with law enforcement authorities and intelligence agencies and domestic coordination and cooperation. We emphasize our commitment to a secure financial sector, providing ongoing support in terms of human resources, financial backing, technical assistance, and logistical support to BFIU in line with our legal framework.

20,000

(Abdur Rouf Talukder)

Governor, Bangladesh Bank



#### **Foreword**

Bangladesh Financial Intelligence Unit (BFIU) is dedicated to establishing a robust financial system in Bangladesh that effectively combats money laundering, terrorist financing, proliferation financing, and related offenses. This goal is pursued through close collaboration with both national and international stakeholders, diligently executing responsibilities outlined in the Money Laundering Prevention Act, 2012, and the Anti-Terrorism Act, 2009. As the central

agency for collecting and analyzing financial information, BFIU received a significant number of Suspicious Transaction Reports (STRs), Suspicious Activity Reports (SARs), and Cash Transaction Reports (CTRs) in the financial year 2022-23, reflecting BFIU's strong vigilance and increased awareness of Reporting Organizations (ROs). Following thorough analysis, BFIU disseminated numerous intelligence reports to respective Law Enforcement Agencies (LEAs), highlighting its commitment to information sharing and proactive cooperation on a global scale through a secured platforms like Egmont Secure Web (ESW). On the domestic front, BFIU fostered collaboration by signing Memorandum of Understanding (MOU) with the Registrar of Joint Stock Companies and Firms (RJSC) and the Department of Narcotics Control (DNC), bolstering local cooperation.

In the era of artificial intelligence and machine learning, the financial landscape is swiftly undergoing digital transformation, paving the way for enhanced financial inclusion and the maintenance of a secure financial system's integrity. However, this digital evolution also introduces risks, such as money laundering, terrorist financing, and related offenses. BFIU remains alert about potential misuse of digital platforms and the rising trend of online gaming, betting, and cryptocurrency related laundering. BFIU has consistently implemented enhanced supervision programs over the years. The effectiveness of BFIU's vigilant efforts is evident in this year's BASEL AML Index ranking, with Bangladesh climbing 8 places from 33 to 41 where a higher ranking indicates better performance.

To bolster awareness and compliance capabilities among ROs, BFIU organized numerous workshops, seminars, meetings, and training programs throughout the financial year. Additionally, the Unit actively engaged in providing resource persons to various ROs, LEAs, and other regulatory bodies, enriching their understanding of Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) issues. In closing, BFIU expresses gratitude to its dedicated team and presents the Annual Report 2022-23, hoping it provides stakeholders with a comprehensive yet concise overview of BFIU's activities and achievements during this period, ultimately benefiting the AML & CFT regime of Bangladesh.

(Md. Masud Biswas)

Head of BFIU

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#### **BFIU in 2022-23**

01

#### Receipt of STRs/SARs, CTRs & Information Exchange Request

14,106 STRs/SARs<sup>1</sup> from ROs and other sources 1,075 information exchange requests from LEAs and other sources 38,681,129 CTRs from Banks & NBFIs

02

#### **International Cooperation**

22 requests received from foreign FIUs 90 requests made to foreign FIUs

03

#### Intelligence Sharing with the LEAs and Other Agencies

133 intelligence reports
1,071 information exchange

04

#### Monitoring and Supervision of ROs

162 system check51 special inspections

05

#### **New Regulations**

Circular regarding instructions to be followed by Financial Institutions for prevention of money laundering, terrorist financing and proliferation financing Circular letter regarding Account Opening by Non-Resident Bangladeshi in the Scheduled Banks

06

#### Capacity Building Initiatives for ROs and Stakeholders

12 lead bank training programs Resource person provided in 162 training programs

07

#### Participation of BFIU Officials in

20 Training programs, workshop, seminar, etc.

80

#### Rating of Bangladesh as per APG Mutual Evaluation

Technical Compliance	<b>Effectiveness</b>
8 Compliant	3 Substantial
27 Largely Compliant	4 Moderate
5 Partially Compliant	4 Low

<sup>&</sup>lt;sup>1</sup>Number of STRs/SARs includes STRs or SARs received from ROs and Complaints received from individuals or other sources.



#### Chapter 1: BFIU at a Glance

#### **Background**

With the authority of the relevant provisions of the Money Laundering Prevention Act (MLPA), 2012, Anti-Terrorism Act (ATA), 2009, and the Rules thereon, BFIU is acting as the central agency of Bangladesh to combat money laundering (ML), terrorist financing (TF), and the proliferation financing of weapons of mass destruction (PF). In materializing its vision of establishing a robust financial system in Bangladesh effectively deterring ML, TF & PF, and other related offenses, BFIU works in close coordination with all the relevant national as well as international stakeholders. In fact, as a founding member of the Asia/Pacific Group on Money Laundering (APG), a FATF-style regional body that enforces FATF standards on AML & CFT in the Asia/Pacific region, Bangladesh has been participating in APG's annual plenary meetings since 1997, worked as a rotating Co-Chair of APG for the period of 2018-2020 and on behalf of the Government of Bangladesh, Head of BFIU performed the role. BFIU also represented Bangladesh in the APG's highest policy-making body called the Steering Committee/Governance Committee several times as a representative of South Asian countries. In 2022, BFIU celebrated 20-years anniversary of its journey towards establishing a strong and effective AML & CFT regime in Bangladesh.

As a member of APG, Bangladesh is committed to implement the FATF Recommendations. To combat ML, TF & PF and deliver maximum accomplishments, BFIU makes all-out efforts to fully discharge its responsibilities as the National Analysis Center to receive, analyze and disseminate financial intelligence as well as regulator and supervisor as entrusted with it through MLPA, 2012, ATA, 2009 and relevant rules thereunder. The journey of BFIU started with the establishment of the then Anti-Money Laundering Department at Bangladesh Bank in 2002. Afterward, the Anti-Money Laundering Department was transformed into BFIU on 25 January 2012 under the provision of the MLPA, 2012. With the amendment in the MLPA, 2012 in the year 2015, the Unit achieved full operational independence.

In fulfilling its mission, the Unit renders cooperation and assistance to a number of members and jurisdictions and receives cooperation and assistance from a number of agencies, donors, and providers. For effective analysis and as part of international cooperation BFIU obtained Egmont Group membership in July 2013 and signed MoU with 80 FIUs till June 2023.

On the domestic front, Bangladesh has established a strong legal and institutional framework to usher in an effective AML & CFT regime in the country. National Coordination Committee (NCC) with Finance Minister as the Convener is the apex forum for formulation and implementation of AML & CFT related policies in line with international requirements. There is also a Working Committee to execute and implement decisions of the NCC and United Nations Security Council Resolutions (UNSCRs) implementation committee to ensure the implementation of UNSCRs. BFIU plays an important role in all these committees.

Against such backdrop, the activities of BFIU encompass analyzing Suspicious Transaction/Activity Reports (STR/SARs), Cash Transaction Reports (CTRs) and information related to ML, TF & PF received from reporting agencies & other sources and disseminating information/intelligence thereon to relevant law enforcement and investigative agencies, exchanging information related to money laundering and terrorist financing with its foreign counterparts, participating and contributing to various domestic and international AML & CFT initiatives and performing everything relevant to fulfill the objectives of combating these crimes. This Annual Report like the previous ones presents all such activities and initiatives undertaken during 2022-23.

# VISION

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



# **MISSION**

Putting in place effective legal, administrative and judicial arrangements for prevention of money laundering, terrorist & proliferation financing and other related offences; through-

- Continual upgrading of AML & CFT legal and regulatory frameworks in line with the needs of evolving circumstances;
- Maintaining broad based awareness of AML & CFT issues amongst regulators, law enforcers, reporting organizations and the general people through workshops, seminars, public campaigns and so forth;
- Developing human resources and required infrastructures of BFIU for effective intelligence management;
- Building as well as bolstering detecting and reporting capacities of the reporting entities in different sectors to ensure better compliance;
- Deepening liaisons among BFIU, law enforcement agencies and judiciary to expedite investigation, trial and adjudication of ML & TF offences; and
- Strengthening contact and liaison with foreign FIUs for better information exchange in ML & TF offences; with regional and global bodies for sharing relevant experiences and upgrading AML & CFT best practices and standards.

# **Objectives**

To establish an effective and operational FIU;

To play a vital role in ensuring an effective AML & CFT regime in Bangladesh;

To adopt latest technologies and develop IT infrastructure and software to ensure strong reporting environment;

To ensure seamless flow of information and ensure participation of all stakeholders in AML & CFT initiatives;

To play an active role in the global AML & CFT initiatives and ensure utmost cooperation at international level;

To identify and address emerging threats, methods and techniques of money laundering, terrorist financing & proliferation financing of weapons of mass destructions; and

To create awareness regarding money laundering and terrorist financing across the country.

#### **Functions of BFIU**

- ▶ Receive Suspicious Transaction/Activity Reports (STRs/SARs) from the reporting organizations and Cash Transaction Reports (CTRs) from banks, financial institutions and DNFBPs and receive the complaints regarding ML &TF from different sources.
- Analyze the received STRs/SARs from Reporting Organizations (ROs) and CTRs from banks, financial institutions and DNFBPs and the complaints received from different sources.
- Produce financial intelligence reports and disseminate those to investigating agencies for further action.
- ▶ Maintain a database of all received STRs/SARs, CTRs and complaints received related information.
- lssue necessary directives and guidance notes from time to time to reporting organizations to prevent money laundering (ML), terrorist financing (TF) and proliferation financing (PF) activities.
- ▶ Ensure compliance of the respective Acts, Rules/Regulations and Directives through on-site and off-site supervision of the reporting organizations.
- Monitor the implementation of UNSC Resolutions including UNSCR 1267 and its successors, UNSCR 1373 and UN Security Council Resolutions related to proliferation financing of weapons of mass destruction.
- ▶ Impart training to the officials of the reporting organizations, investigating authorities, prosecutors, regulatory agencies and other related organizations or institutions.
- ▶ Sign Memorandum of Understanding (MoU) with local organizations to exchange financial intelligence on ML, TF & PF.
- ► Sign Memorandum of Understanding (MoU) with foreign FIUs to exchange financial intelligence on ML, TF & PF.
- Provide and collect information to/from other FIUs under bilateral arrangements.
- ► Cooperate and work together with various international organizations including FATF, APG, EGMONT Group, World Bank, IMF, ADB, and UNODC regarding AML & CFT issues.
- Perform secretarial job for UN bodies, National Coordination Committee (NCC) and Working Committee (WC) on AML & CFT and take necessary steps to implement the decisions taken by the committees.
- ▶ Work as the secretariat of inter-agency Task Force for Stolen Asset Recovery (StAR).
- Perform activities related to the Central Task Force for preventing illegal hundi activities, illicit flow of fund and money laundering and monitor implementation of the decisions of the meetings.
- Arrange regular meeting with Anti-Corruption Commission (ACC), Bangladesh Police and other relevant agencies and monitor the implementation of the decisions of the meeting.
- Arrange regular meeting with various regulators like BSEC, IDRA, MRA, NGOAB and different Self-Regulatory Bodies (SRBs).
- ► Carry out other related functions to prevent and combat money laundering, terrorist financing and proliferation financing activities respectively.
- Create public awareness against ML, TF & PF.

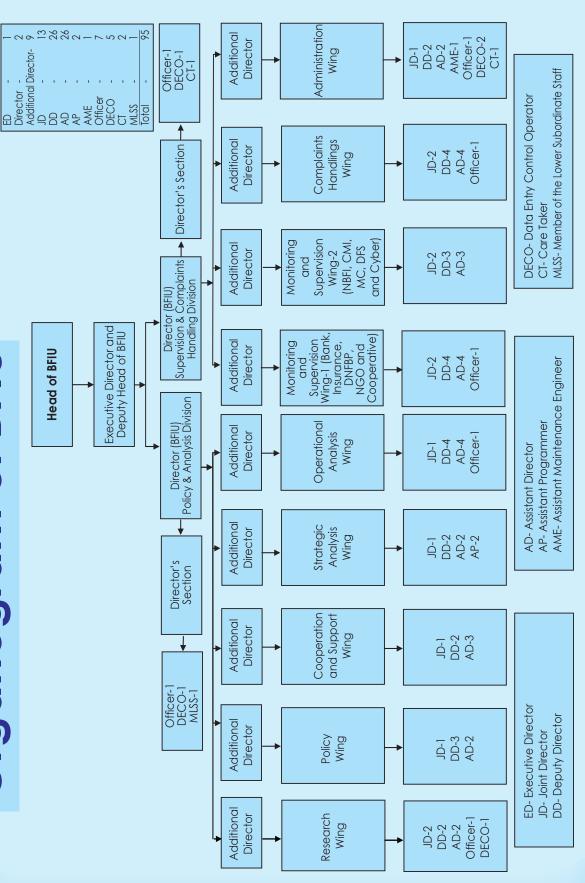
# Regulatory Framework

BFIU works under the provisions of

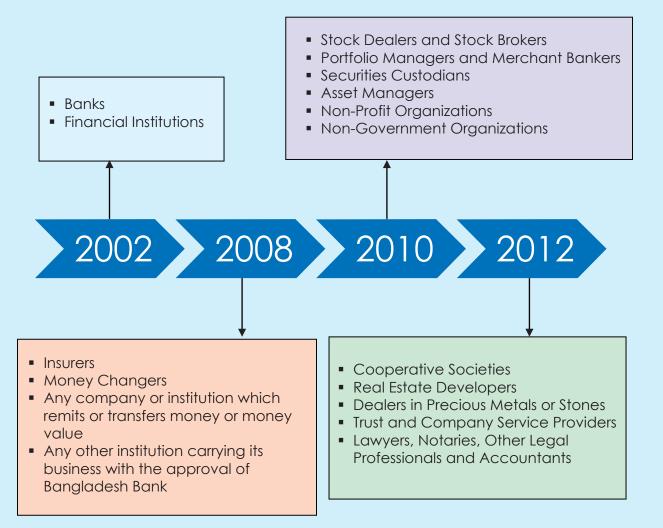
- Money Laundering Prevention Act, 2012
- Money Laundering Prevention Rules, 2019
- ☐ Anti-Terrorism Act, 2009
- Anti-Terrorism Rules, 2013

# Organogram of BFIU

Summary of Sanctioned Strength



#### **Reporting Organizations of BFIU**



# Major Activities in 2022-23

#### **Chapter 2**

#### Major Activities in 2022-23

Bangladesh Financial Intelligence Unit (BFIU) serves as the central agency for Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), and Countering Proliferation Financing (CPF) in Bangladesh. In addition to intelligence development function, BFIU works as a regulatory and supervisory body for preventing money laundering (ML), terrorist financing (TF), and proliferation financing (PF) risks.

BFIU is committed to remain updated by periodically reviewing AML and CFT related circulars, circular letters and policy directives in line with the international standards, domestic laws and regulations. Through various guidelines and directives, BFIU provides instructions to Reporting organizations (ROs) to establish and maintain an effective AML & CFT compliance framework in Bangladesh. Additionally, BFIU plays a crucial role in coordinating national efforts to combat ML, TF & PF, collaborating closely with both domestic and international stakeholders. Moreover, it is actively engaged in raising awareness of ROs, capacity building of LEAs and other relevant stakeholders regarding AML & CFT issues.

BFIU diligently evaluates the risks associated with ML, TF & PF. It is committed to implement effective measures to counter any illicit activities aimed at undermining the uninterrupted advancement of the nation. this chapter outlines the significant endeavors undertaken by BFIU during 2022-23:

#### 2.1 Issuance of Circular and Circular Letter for Reporting Organizations

Under the provisions of the Money Laundering Prevention Act (MLPA), 2012, and the Anti-Terrorism Act, 2009, BFIU issues directives, circulars, circular letters, and guidance, etc. from time to time for the ROs. During 2022-23, BFIU issued a circular for the Non-Bank Financial Institutions (NBFIs) and a circular letter for the Scheduled Banks.

- i. On May 30, 2023, BFIU issued Circular No. 28 repealing BFIU Circular No. 12 for the NBFIs in the prevention of ML & TF which has been meticulously crafted to align with the international standards, and existing legal framework of Bangladesh. It encompasses a detailed roadmap for implementing a risk-based approach, thereby equipping financial institutions with enhanced capabilities to identify and mitigate the risks associated with ML and TF. Through this circular, BFIU underscores its commitment to safeguarding the integrity of the financial system of Bangladesh by providing comprehensive guidance for NBFIs to effectively combat ML & TF.
- ii. BFIU issued Circular Letter No. 01 on July 27, 2022 to facilitate the account opening process in scheduled banks for non-resident Bangladeshis (NRBs). BFIU instructed banks that attestation of documents by relevant embassies is not required to open a bank account in any scheduled bank in Bangladesh, as the Government of Bangladesh issues

machine-readable passports (MRPs) and electronic passports (e-passports) through a rigorous verification process.

#### **2.2** Intelligence Management

The primary function of BFIU is to receive various types of reports, including Suspicious Transaction Report (STR), Suspicious Activity Report (SAR), and Cash Transaction Report (CTR), from the ROs. Furthermore, BFIU welcomes complaints and information from both individuals and organizations. Any individual or entity is encouraged to submit complains or furnish information related to ML, TF, and PF to BFIU. Additionally, BFIU greatly values the information provided by regulatory and supervisory authorities, as well as the intelligence shared by intelligence agencies and law enforcement agencies (LEAs). Moreover, information received from foreign Financial Intelligence Units (FIUs) and other international counterparts significantly contributes to the enhancement of BFIU's intelligence capabilities.

Upon receipt of STRs, SARs, CTRs, or intelligence pertaining to ML, TF & PF, BFIU conducts a comprehensive analysis that combines tactical and strategic approaches. This analysis leverages Open Source Intelligence (OSINT), BFIU's database and information sourced from other agencies, including the Credit Information Bureau (CIB), Bangladesh Bank's dashboard for export-import data and remittance related, National Identity Document (NID) database, and some commercial databases. In addition, for analytical purposes, BFIU may seek additional information from the ROs, regulatory bodies, and other government agencies such as Department of Immigration and Passport, Bangladesh Police, and other Law Enforcement Agencies, Registrar of Joint Stock Companies and Firms etc. BFIU also collects information from the foreign FIUs, as the case may be.

Upon analysis, if any element of ML & TF is detected, BFIU prepares intelligence report and disseminate the same to the respective LEA for further course of action. BFIU demonstrates a commitment to fostering efficient collaboration by proactively providing intelligence to LEAs and other intelligence agencies, both spontaneously and upon request.

#### **2.2.1** Suspicious Transaction Report (STR) and Suspicious Activity Report (SAR)

Under the provisions of section 25(1)(d) of the Money Laundering Prevention Act (MLPA), 2012 and Section 16(1) of the Anti-Terrorism Act (ATA), 2009, the ROs are obliged to report STR and SARs. Whenever any irregularity or anomaly is detected, ROs are mandated to submit STR and SAR proactively. The number of STR/SAR is one of the major indicators of the existence of a robust AML and CFT framework. The establishment of a system for reporting STR/SAR suspicious serves the dual purpose of safeguarding the ROs from potential exploitation by money launderers and terrorist financiers while concurrently ensuring the integrity and effectiveness of the national AML & CFT program. In 2022-23, BFIU received a total of 14,106 suspicious reports comprising 9,769 STRs and 4,337 SARs.

16,000 14,106 14,000 12,000 10,000 8,571 8,000 5,280 6,000 3,675 3,573 4,000 2,000 0 2018-19 2019-20 2020-21 2021-22 2022-23

Graph-1: Trend of STR & SAR Received Over Past Five Years

The graph presented above illustrates the trend of STR & SAR received by BFIU over the past five years. The data clearly indicates a consistent upward trajectory in the receipt of STR & SAR, with a noteworthy spike of 64.58 percent in 2022-23 compared to the previous year. This substantial increase can be attributed to several key factors including BFIU's stringent measures against non-compliance, increased awareness and capacity development of the ROs, the government's stance on zero tolerance policy against corruption, ML & TF etc. The significant upward trend was also triggered due to increased fraudulent activities in online based platform such as online gambling/betting, FX/crypto trading, digital hundi etc. This issue has been elaborated in chapter-7.



Graph-2: Sector-wise Trends of STR & SAR

As Banks are the key player of the financial system of Bangladesh, the majority of the STR & SARs are received from this sector. It is mentionable that, the 2nd National Risk Assessment on ML & TF reveals banking sector as more vulnerable to ML & TF for its wide range of products, services and networks. The graph above also complements the findings of NRA since BFIU received 12,809 STR/SARs i.e. 91% of the total STR/SARs from the banks in 2022-23 which is 60.13% more than previous year. However, money remitters were the 2nd highest reporting organization which lodged 900 STR/SARs i.e. 6.38% of the total number to BFIU in 2022-23. Money remitters report 96.97% more STR/SARs than pervious year reflecting the emerging risk. Other sources includes NBFI, CMI, payment service provider/payment system operator, etc.

#### **2.2.2** Information Exchange

The LEAs, intelligence agencies and other stakeholders make request to BFIU for exchanging financial information for further course of action at their end and BFIU disseminates the same. The regular information exchange request from LEAs and intelligence agencies in 2022-23 increased by almost 30% compared to that of previous year. It is to be noted that under the provision of amended Bankers Books Evidence Act, 2021, LEAs can collect the required information from banks directly; hence after 2021 the number of such request to BFIU has been decreased. Still, in 2022-23, BFIU has received a total number of 1075 requests for financial information from different LEAs and others and disseminated 1,071 by 30 June 2023.

Table-1: Number of Requests for Financial Information Made By LEAs and Others

Requesting Agencies		2020 -21		2021 -22		2022 -23	
		Received	Disseminated	Received	Disseminated	Received	Disseminated
	ACC	114	114	99	99	64	64
	CID	334	334	266	266	540	540
Bangla desh Police	Other units (Police HQ, ATU, PBI, DB, SB etc.)	44	44	55	46	140	140
	ВВ	7	7	24	24	23	23
	NBR	175	175	70	61	95	95
Agencie	Intelligence es, Ministries, etc.)	740	740	296	337	213	209
	Total	1,414	1,414	810	833 <sup>1</sup>	1,075	1,071

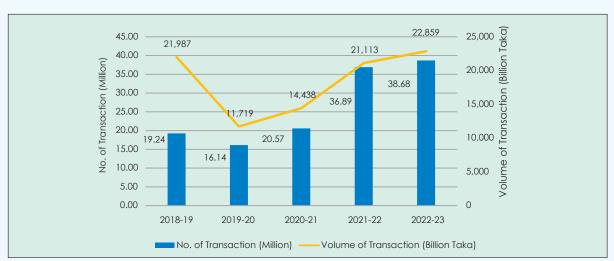
Over the years, Bangladesh Police, Anti-Corruption Commission and other Intelligence Agencies constitute the major users of financial information.

<sup>&</sup>lt;sup>1</sup> In some cases BFIU proactively shared information to different agencies.

#### 2.2.3 Cash Transaction Report (CTR)

As per the provision of section 23(1)(a) of the Money Laundering Prevention Act (MLPA), 2012 BFIU can obtain Cash Transaction Reports (CTRs) from Banks, NBFIs and subsequently analyze the information. BFIU defines CTR as any cash deposit amounting BDT 1.00 million or above (or equivalent foreign currency) or withdrawal amounting to BDT 1.00 million or above (or equivalent foreign currency) conducted through single or multiple transactions in an account within a single day in Banks NBFIs. Currently, in accordance with the directives issued by the BFIU, both banks and non-bank financial institutions (NBFIs) are required to submit CTR to BFIU through goAML web platform by the 21st day of each subsequent month. CTR information is used for operational analysis, strategic assessment, and the implementation of risk-based supervision of banks and NBFIs.

In the 2022-23, banks submitted a total of 38.68 million cash transactions (value BDT 22,859.16 billion) whereas the NBFIs submitted 1,238 cash transactions (value BDT 2.10 billion). In 2022-23, both the overall number of CTR submissions and the total value of CTRs increased proportionally than the previous year.



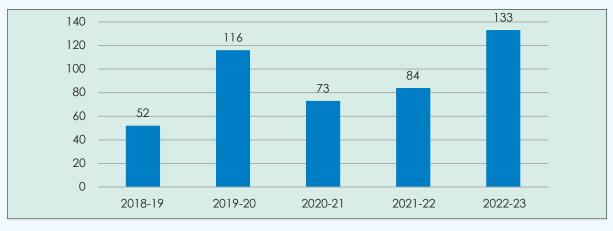
Graph-3: Trend of Yearly Receipt of Cash Transactions in CTR

#### 2.3 Dissemination of Intelligence

BFIU has a team of dedicated expert analysts for analyzing STR/SARs, CTRs. A set of predefined indicators, regularly updated over time, serves as the basis for prioritizing the scrutiny of each STR and SAR. Following the establishment of priority, qualified analyst/s is/are assigned to conduct in-depth analysis of the specific case. They prepare comprehensive intelligence reports based on their findings. If a case exhibits potential connections to ML, it is promptly disseminated to the respective LEAs. These agencies, in accordance with the MLPA, 2012, then take appropriate measures for further investigation and action. On the other hand, if a case suggests any involvement with terrorism, terrorist financing (TF), or proliferation financing (PF), it is expeditiously disseminated to the Bangladesh Police for their specialized attention and subsequent action.

#### 2.3.1 Dissemination of Intelligence based on STR, SAR and Other Sources

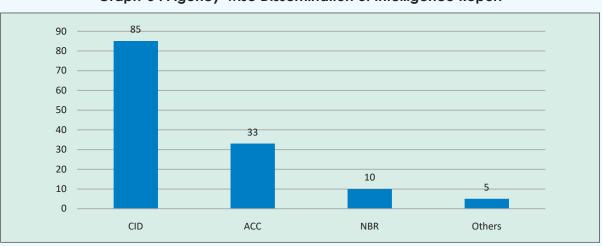
Intelligence reports are generated analyzing STR, SAR, and other pertinent information. The production of these reports can vary significantly in terms of scale. In some instances, a single STR or SAR can serve as the basis for a comprehensive intelligence report, while in other cases; it may require the analysis of hundreds of such reports to compile a single intelligence document. During 2022-23, BFIU disseminated a total of 133 intelligence reports derived from STRs, SARs and other information.



Graph-4: Dissemination of Intelligence Report

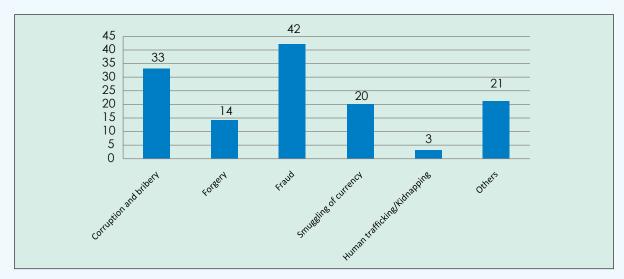
Graph-4 illustrates gradual increase in the number of dissemination of intelligence reports by BFIU in the last five years, except in 2019-20. Specifically, the year 2022-23 marked a notable increase that is 58.33% increase compared to 2021-22. This surge in intelligence report dissemination aligns with the concurrent rise in the receipt of STRs and SARs, which experienced a growth rate of 64%.

On the other hand, agency-wise dissemination statistics (graph-5) of 2022-23 highlights that CID of Bangladesh Police topped the list as recipient of intelligence report.



Graph-5: Agency-wise Dissemination of Intelligence Report

Furthermore, the graph-5 provides insight into the distribution of intelligence reports to various agencies. Notably, the top predicate offenses featured in these reports (graph-6) encompass fraud, corruption and bribery, currency smuggling among others. These findings broadly align with the risk profile as assessed in the 2nd National Risk Assessment on ML & TF conducted in 2015.



Graph-6: Predicate Offence-wise Intelligence Report Dissemination

#### **2.4** Monitoring and Supervision

Section 23(1)(e) of the MLPA, 2012 and section 15(1)(c) and 15(1)(e) of the ATA, 2009 have empowered BFIU to supervise the activities of the reporting organizations and carry out on-site inspections on them. To make the monitoring and supervision more efficient and effective, the monitoring and supervision function of BFIU has been divided into the following sub-wings:

#### Monitoring and Supervision Wing-1

- Bank Monitoring
- Insurance Monitoring
- NGO/NPO Monitoring
- DNFBP Monitoring
- Co-operatives Monitoring

#### Monitoring and Supervision Wing-2

- Non-Bank Financial Institutions Monitoring
- Capital Market Intermediaries Monitoring
- Digital Financial Services and Cyber Monitoring
- Money Changers & Money Remitter Monitoring

BFIU has adopted a Risk-Based Approach (RBA) to supervise the ROs, In line with FATF Recommendation 1 and the provision of the Rule 10 of Money Laundering Prevention Rule (MLPR), 2019. Following the Risk Based Supervision (RBS) model, the supervisory activities of BFIU are focused on the sectors and entities that are most vulnerable to ML, TF & PF and are at high risk of regulatory non-compliance. Furthermore, while implementing RBS, BFIU has taken a number of risk factors into account faced by ROs including sectoral, client, geographic and delivery channel or service/product risks. BFIU allocates supervisory resources based on identified risk of a particular sector or entity.

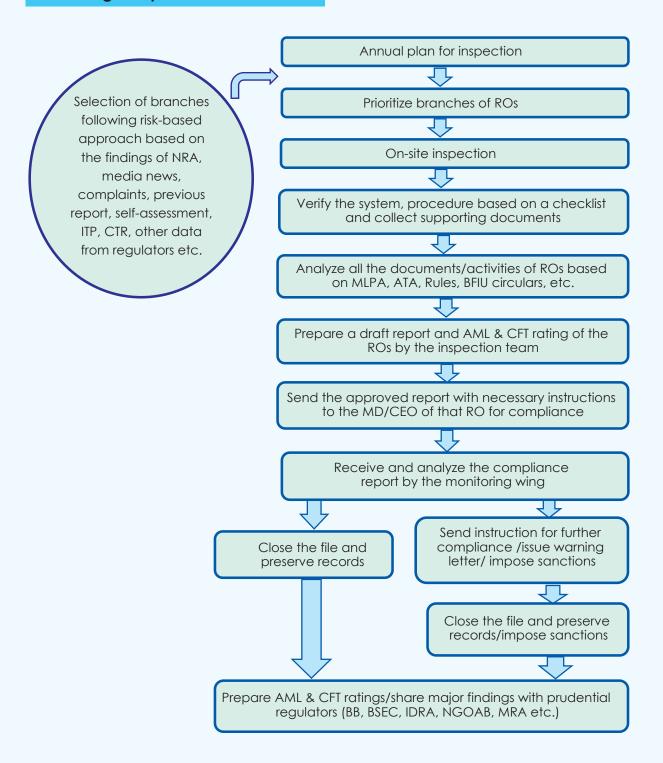
For implementing RBS, BFIU has issued a guideline. Based on that guideline BFIU has developed data capturing template for each reporting sector and formulated a mechanism for supervision plan. In developing supervision plan BFIU uses the outcome of NRA, sector specific risk assessment and enterprise level risk assessment in addition to other micro level information. BFIU is updating its RBS manual with the technical assistance from IMF. In 2022-23, BFIU has introduced entity-level risk assessments across the banking sector. This involves the use of a sophisticated data capturing format, encompassing information on customers, products, geographic locations and delivery channels. In addition, this template incorporates scores of risk mitigants by BFIU. To streamline the data capturing process, BFIU has introduced a reporting dashboard where banks can input their risk data. This dashboard not only facilitates the ease of data submission and processing but also employs analytical tools to generate diverse reports. These collective efforts signify a proactive stance by BFIU in preparing a risk-focused AML & CFT supervision plan, contributing significantly to the strengthening of Bangladesh's AML & CFT regime. Under this supervision system, there is a process of continuously updating risk assessments through on-site inspection findings, off-site reviews and BFIU's intelligence that create an "early warning" or "AML rating" system for the reporting organizations to anticipate and deal with the emerging issues. BFIU has also observed how the risk profile of both individual reporting organizations and the industry changes over time. These observations are useful, from the perspective of BFIU, to look into the adequacy of its legislation and review existing policy for accommodating relevant issues.

The AML & CFT supervisory program of BFIU is a continuous process divided into four steps. At each step, more information is collected about the reporting organizations and its potential risks of ML, TF & PF related non-compliance. These four steps are:



The following diagram depicts the monitoring and supervision mechanism of BFIU:

#### **Monitoring & Supervision Mechanism**



#### 2.4.1 Off-site Supervision

BFIU has established a comprehensive off-site supervision system designed to achieve consistent monitoring, analysis, and review of periodic reports submitted by the ROs in strict adherence to BFIU's regulatory requirements. The insights from this off-site supervision process play a pivotal role in shaping and updating risk-based supervision stance. BFIU's off-site supervision employs a diverse array of methods and activities conducted at the desk level, which encompass:

- Assessing Self-Assessment Reports and the results of Independent Testing Procedure (ITP) submitted by the ROs biannually;
- Conduct sectoral risk assessment and review enterprise level risk assessment of the ROs and their non-compliance risks;
- Ensuring AML & CFT compliance of the ROs including the submission of CTR, STR/SAR;
- Analyzing the information, both quantitative and qualitative, collected from regulatory/supervisory authority and obtained from open sources;
- Assessing compliance questionnaires, documents prepared by the ROs etc.

#### 2.4.1.1 Off-site Supervision of Banks

As per instruction of BFIU, each branch of the banks is obliged to prepare a Self-Assessment Report based on a predefined checklist twice a year and submit the same to the Internal Audit Department and the AML & CFT Division or Department of its Head Office. Internal Audit Department has to analyze those reports and arrange for branch inspection, if necessary and inform AML & CFT Division or Department of the bank regarding this matter. Furthermore, the said department, while inspecting a branch as part of its regular program, is required to prepare a report on the status of the AML & CFT system of the branches through the checklist of Independent Testing Procedure (ITP) and award rating based on their findings. In addition to that, Internal Audit Department conducts a separate AML & CFT inspection in at least 10% branches according to their annual plan.

The Internal Audit Department has to send the report of those inspections based on ITP, called ITP report, to the AML & CFT Division or Department. Then the Central Compliance Committee (CCC) has to evaluate the two reports (self-assessment and ITP) to prepare a biannual evaluation report. This report is submitted to the highest level of bank management (Board of Director and Management Committee) for their opinion and necessary direction. Furthermore, the banks are required to submit the summary of the two reports, Self-Assessment Report and ITP to BFIU on half yearly basis.

All the off-site supervision reports submitted by banks are reviewed by BFIU while developing annual on-site inspection plan based on Risk Based Supervision Guideline/Manual.

#### **2.4.1.2** Off-site Supervision of NBFIs and other Reporting Organizations

NBFIs also submit the summary of Self-Assessment Reports and Independent Testing Procedure (ITP) report on half yearly basis following the similar procedures of the banks. Likewise, other reporting organizations such as Insurance Companies and Capital Market Intermediaries follow identical procedures to deliver their Self-Assessment Reports to BFIU.

#### 2.4.2 On-site Supervision

In addition to National Risk Assessment (NRA), BFIU prepares annual on-site inspection plan based on its Risk Based Supervision Manual, Enterprise level risk assessment report of the ROs, and BFIU's own assessment (considering the previous inspection findings, self-assessment report and independent testing procedures results). ROs which fall under 'High Risk' category are subject to more frequent on-site supervision. Findings of BFIU and AML & CFT risk rating are shared with the relevant regulators for their review and further necessary actions. BFIU carries out two distinct types of on-site supervisions: system check and special inspection.

#### 2.4.2.1 System Check

AML & CFT system check is conducted on a six-month cycle to oversee the compliance level of the ROs with respect to the provisions under MLPA, 2012, ATA 2009, BFIU circulars and guidelines. AML & CFT risk management procedures of the ROs are also examined in the inspections. A system check is basically conducted to examine the following areas:

- Comprehensiveness of AML & CFT policy and procedures with senior management's commitment
- Evaluation of the competency of the Compliance Officer
- KYC & CDD procedure
- Transaction monitoring
- CTR submission and analysis
- STR identification and submission
- Report submission by branch to AML & CFT Division or Department/CCU
- Self-Assessment
- Knowledge and awareness of the employees on AML & CFT
- Record keeping
- Compliance of the recommendations of the previous audit/inspection report

Based on the findings of the system check, the reporting organization's head office and branches are awarded a rating i.e. Unsatisfactory, Marginal, Fair, Satisfactory, and Strong and the report is sent to the ROs for their compliance with the identified gaps.

#### 2.4.2.1.1 System Check of Banks

BFIU has specialized inspection teams tasked with evaluating banks to promote the establishment of robust AML & CFT frameworks within the country. In 2022-23, BFIU executed 51 comprehensive system check on various banks. Among these inspections, 12 were conducted at the banks' head offices, while the remaining 39 took place at their branches.

Table-2: System Check of Banks

Bank	2018 - 19	2019 - 20	2020 -21	2021 -22	2022 - 23
Head Offices	23	24	23	29	12
Branches	49	40	29	37	39
Total	72	64	52	66	51

#### 2.4.2.1.2 System Check of NBFIs

BFIU has conducted system check on 14 head offices and 11 branches of NBFIs in 2022-23. The following table-3 demonstrates that the number of inspections in 2022-23 has been increased than previous year.

Table-3: System Check of NBFIs

NBFI	2018 - 19	2019-20	2020 -21	2021 -22	2022 - 23
Head Offices	2	10	3	8	14
Branches	0	10	1	12	11
Total	2	20	4	20	25

#### **2.4.2.1.3** System Check of Insurance Companies

BFIU collaborates with the Insurance Development and Regulatory Authority (IDRA), the prudential regulator of the insurance companies in Bangladesh, to oversee and supervise AML & CFT activities within the insurance sector. In 2022-23, BFIU has conducted system check on 11 head offices of insurances companies (5 Nonlife and 6 Life) considering insurance as low risk sector. All of these system checks were carried out within Dhaka city.

Table-4: System Check of Insurance Companies

Insurance Companies		2018 - 19	2019-20	2020-21	2021-22	2022 - 23
	Head	15	5	11	3	5
Nonlife	Offices	15	3		7	3
Insurance	Branches	10	4	0	3	0
	Sub-total	25	9	11	6	5
1:40	Head	10	4	12	3	6
Life	Offices	10	4	12	7	0
Insurance	Branches	5	2	0	3	0
	Sub-total	15	6	12	6	6
Total		40	15	23	12	11

#### 2.4.2.1.4 System Check of Capital Market Intermediaries

BFIU collaborates closely with Bangladesh Securities and Exchange Commission (BSEC) to oversee the compliance with AML & CFT compliance of capital market intermediaries. In 2022-23, BFIU has conducted a total of 47 system check at the head offices of capital market intermediaries. Of these system checks, 19 were carried out in Dhaka, 12 were in Chattagram, and 6 were in Sylhet.

#### 2.4.2.1.5 System Check of Money Changers

BFIU has conducted 17 system check at the head offices of money changers located in Dhaka in 2022-23. These inspections were undertaken to monitor the operations of money changers and ensure their compliance with AML & CFT regulations.

#### **2.4.2.1.6** System Check of Digital Financial Services

Over the past few years, the Digital Financial Services (DFS) landscape in Bangladesh has experienced a significant and multifaceted growth. With the increasing usage of these services, there has been a corresponding rise in the risk of exploitation by money launderers and terrorist financers. In response to this emerging challenge, BFIU has proactively conducted 17 system check in 2022-23. These on-site inspections were aimed to ensure the compliance of digital financial service providers with AML & CFT regulations.

#### 2.4.2.1.7 System Check of Co-operative

To ensure robust AML & CFT compliance within Co-operative sector, BFIU has conducted a total of 5 system check at the co-operative's head office in Dhaka. These inspections were aimed at monitoring the activities of co-operatives and verifying their adherence to AML & CFT regulations.

#### 2.4.2.2 Special Inspection

Besides the regular system check inspection, BFIU conducts special inspection on the ROs if any special concern is raised i.e. any ML & TF risk information, repeated lower rating in the system check, non-compliance issue detected in the system check, adverse media report, etc. Some special inspections are also carried out to monitor the RO's compliance level of STR & SAR submission and to examine whether banks and NBFIs are submitting CTR correctly and properly. In this case, branches are selected based on the transaction volume, operational importance, location, risk level, etc. In 2022-23 BFIU conducted 51 special inspections in banks for further analysis of STRs & SARs, complaints and other information. Out of these 51 special inspections 13 were in the head offices and 38 were in branch offices.

#### 2.5 Progress of goAML Implementation

The goAML is a standard application software developed by United Nations Office on Drugs and Crime (UNODC) specifically for Financial Intelligence Units (FIU's) to counter ML and TF. BFIU is using this software since 2013. UNODC has released goAML version 5.2 on 28 October 2022 with new features, series of architectural improvements, enhancements and fixing a couple of bugs. BFIU has upgraded to goAML version 5.2 on May 2023 with a view to facilitating online reporting of CTR, STR, SAR & other reports and optimize its use for sophisticated analysis both operational and strategic. Updated version of goAML provides several facilities such as automatic report prioritization, hybrid reports, entity to entity relationship, account to account relationship, message board enhancement etc. The automatic prioritization process has already proved to be very helpful in identifying the STR/SARs related to most emerging issues.

BFIU has arranged several training sessions for it's officials and ROs to introduce new features of goAML version 5.2. Besides, from time to time, BFIU took initiatives to include ROs in the goAML system and arranged training and workshops for them to enhance the data quality of CTR and STR/SAR. In 2022-23, 11 Payment Service Provider/Operators and 51 Money Changers have been registered to goAML as reporting entity. Currently 61 Banks, 36 NBFIs, 78 Insurance Companies, 267 Capital Market Intermediaries, 213 Money Changers, 36 NGOs and 12 Money Remitters are registered in goAML. Besides the ROs, BFIU exchanges information with 36 stakeholders including the regulatory bodies, the LEAs & intelligence agencies through goAML message board as it provides secure communication channel.

#### 2.6 E-KYC Scale up initiatives

The absence of a robust digital customer on-boarding framework has posed challenges for Bangladesh in expediting financial inclusion efforts. Within our formal financial system, opening accounts necessitated the labor-intensive manual Know Your Customer (KYC) process, placing a significant operational burden on financial institutions. To address these concerns, BFIU issued Electronic Know Your Customer (e-KYC) Guidelines on 08 January 2020. This strategic move aligned with both the Sustainable Development Goals (SDGs) Agenda and the Bangladesh government's Vision 2021 commitment to provide accessible, faster, and cost-effective financial services to citizens. The primary objective of this initiative was to streamline customer on-boarding procedures and promote financial inclusion throughout the nation.

Furthermore, the National Strategy for Prevention of Money Laundering and Combating Financing of Terrorism Strategy 2019-2021 included Action Item No. 9, which set a deadline for implementing Digital KYC by 2020. The government's National Financial Inclusion Strategy (NFIS) for 2021-2026 also underscored the importance of e-KYC in achieving its objectives, particularly in ensuring that all adults have access to regulated financial service accounts by 2025.

To scale up the implementation of e-KYC in Bangladesh, International Finance Corporation (IFC) designed a project to support BFIU in the form of technical assistance and signed MoU with BFIU on 29 June 2021. Under this project BFIU has undertaken the following activities and initiatives during 2022-23:

**Baseline Study Report:** A baseline study was conducted by IFC to assess the efficiency of the customer on-boarding process using manual KYC and e-KYC. The findings from this study were used to guide stakeholder communication throughout the project.

**Scoping Exercise for Supervision and Monitoring Framework:** BFIU conducted a scoping exercise to identify key activities necessary for the development of supervision and monitoring framework for e-KYC. This included interviews with financial institutions to understand the e-KYC challenges and get their opinions, insights, and suggestions regarding the e-KYC regulations. A tool is being developed accordingly to supervise and monitor e-KYC activities of the ROs.

Capacity Development of Financial Sector: An industry engagement event titled "e-KYC Implementation and Scale-Up in the Financial Sector of Bangladesh" was held on 4 July 2022. It brought together 111 representatives from banks, non-bank financial institutions, regulatory bodies, and other stakeholders to share insights on e-KYC implementation and experiences from other countries.

**Stakeholder Consultation Workshops:** Stakeholder consultation workshops were strategically organized to engage with various segments of the financial industry, including banking, insurance, mobile financial services, and capital market intermediaries. The primary objective was to harness valuable input and insights from key stakeholders to facilitate the development of comprehensive e-KYC guidelines. On 5 January 2023, a Financial Sector Consultation Workshop on e-KYC Implementation and Scale-up was arranged. The diverse representation from the financial institutions provided a holistic perspective on the challenges and opportunities surrounding e-KYC implementation. Subsequently, on 16 January 2023, another consultation workshop was conducted, this time involving key players from the insurance, mobile financial services (MFS), and capital market intermediaries (CMIs) sectors. Their expertise and insights contributed significantly to the discourse on e-KYC, enhancing the comprehensiveness of the guidelines under development.

The findings from these two stakeholder consultation sessions, coupled with inputs garnered from other individual consultation sessions, have been compiled and integrated. This comprehensive compilation of feedback and recommendations has served as the cornerstone for the drafting of a standalone stakeholder consultation report.

**Knowledge Sharing Sessions:** Several knowledge-sharing sessions were conducted during 21-23 March 2023 to facilitate dialogue between BFIU and financial institutions, allowing for the exchange of best practices and updates on e-KYC implementation progress. On 21 March 2023, a Knowledge Sharing Session on e-KYC Implementation was held at a hotel in Dhaka.

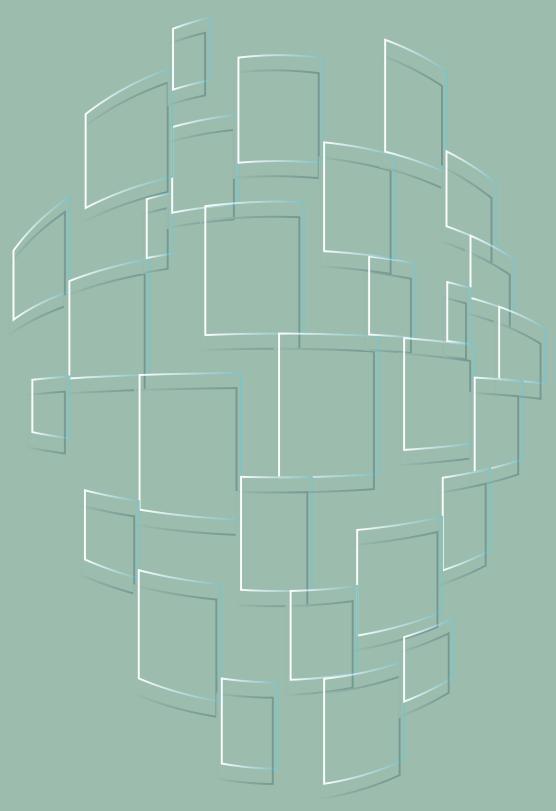
This event gathered the participation of selected representatives from banks and NBFIs. On 22 March 2023, a workshop targeting Capital Market Intermediaries (CMIs) was conducted at the Bangladesh Securities and Exchange Commission (BSEC) auditorium. A total of 127 CMIs actively participated in this event. Distinguished officials from the BFIU, BSEC, and the Central Depository Bangladesh Limited (CDBL) led presentations. Continuing the momentum, two additional knowledge-sharing sessions were hosted at the BFIU premises on 23 March 2023. These sessions specifically targeted banks and NBFIs.

BFIU took the initiatives to engage with these financial institutions' representatives with the primary goal of gaining a deeper understanding of the progress made by these institutions in e-KYC implementation. In return, BFIU shared invaluable insights and best practices from the sector, aiming to empower these institutions to accelerate their e-KYC implementation efforts. This collaborative approach fostered a culture of shared knowledge and expertise within the industry. By facilitating dialogues, sharing best practices, and providing practical guidance, these events have been instrumental in expediting the implementation of e-KYC, ultimately bolstering the security and efficiency of the financial industry in the country.

Comprehensive e-KYC Guideline: IFC shared a comprehensive e-KYC Guideline for BFIU's review. This document was prepared based on the learning and understandings of the current capacities and expectations of the financial sector as identified through the above mentioned stakeholder engagements and knowledge sharing sessions. A committee consisting of the representatives from various sectors like BFIU, BB, MoF, BSEC, Election Commission, Controller of Certifying Authorities, ICT Division, BTRC, IDRA, CDBL and Porichoy are working to review the existing guidelines.

The activities and initiatives undertaken by BFIU during the year 2022-23 to scale up the e-KYC implementation in Bangladesh demonstrate a strong commitment to implementing e-KYC and advancing financial inclusion in Bangladesh. It is expected that Bangladesh will move closer to achieving its financial inclusion objectives, ultimately benefitting its citizens and the economy as a whole. Continued coordination and cooperation among stakeholders will be essential for the successful rollout of e-KYC across the financial sector.

# Domestic Cooperation and Engagement



### **Chapter 3**

### **Domestic Cooperation and Engagement**

An effective AML & CFT regime requires a synchronized cooperation among the concerned authorities. BFIU, as the central agency of the country, always fosters a spirit of cooperation for the effective combating of ML, TF & PF. It strongly adheres to the policy of mutual cooperation and has been working closely with all the relevant stakeholders since its inception. During 2022-23 BFIU has taken a number of initiatives to intensify domestic cooperation and engagement with the various ministries, regulatory bodies, LEAs, and different agencies of Bangladesh.

### 3.1 National Coordination Committee on AML & CFT

The National Coordination Committee (NCC) on AML & CFT is the highest-level body which is responsible for formulating policies and procedures to prevent money laundering and terrorist financing in Bangladesh. The committee is headed by the Honorable Finance Minister and includes chief executive of relevant agencies as members. The Head of BFIU serves as the member secretary of this committee. The NCC met twice in 2022-23 and made several important decisions and recommendations. Followings are some major initiatives that have been taken as per the decisions of those meetings:

- Initiatives have been taken to implement market-based registration to increase government revenue and ensure transparency in land registration that will eventually decrease the opportunity of untaxed money.
- Two new offenses i.e. pornography and offences subject to be trialed in Cyber Tribunal, have been included as predicate offence of money laundering.
- Initiatives have been taken to amend the Public Gambling Act, 1867.
- Strategy paper on repatriating stolen assets from different countries of the world has been prepared.
- Guidelines on "Stolen Asset Recovery: Legal Framework and Strategic procedure" has been formulated.

### 3.2 Working Committee on AML & CFT

The second highest body for prevention of money laundering and terrorist financing in Bangladesh is the Working Committee on AML & CFT. This committee works to ensure coordinated institutional efforts to implement policies for prevention of money laundering and terrorist financing. The Secretary and Joint Secretary of the Financial Institutions Division, Ministry of Finance, serve as the convener and member secretary of the committee respectively. BFIU provides secretarial support to this committee.

The committee met twice in 2022-23 and made some important decisions. Some of the major initiatives derived from those meetings are as follows:

• Joint Secretary of the Law and Justice Division of the Ministry of Law, Justice and Parliamentary Affairs has been co-opted as member of the Working Committee.

- Initiatives to amend Company Act, 1994 to implement the recommendations of Mutual Evaluation Report (MER), 2016 on Immediate Outcome-5 (IO-5) have been taken.
- "Risk Assessment Report on Legal Persons and Legal Arrangements" in the National Risk Assessment has been adopted.
- Initiative has been taken to arrange training of trainers (TOT) for the law enforcement agencies (LEAs), judges, and prosecutors.
- Initiative to sign Mutual Legal Assistance (MLA) agreement/treaty with the countries recommended by ACC and BFIU is underway.

### 3.3 Central and Divisional Task Force on AML & CFT



Mr. Md. Masud Biswas, Head of BFIU and Mr. Nurul Amin, Executive Director of Rangpur
Office, Bangladesh Bank along with other officials

Two-layered task forces i.e. Central Task Force and Divisional Task Force have been formed in 2017 to combat ML & TF by restructuring Central and Regional Task Force established in 2002. Task Force is an unparalleled platform which bring together different investigating agencies, law enforcement agencies, prudential regulators of the reporting organizations, private organizations and BFIU itself. The Head of BFIU is the convener of the Central Task Force whereas the Director of BFIU serves as its member secretary. Moreover, office head of respective divisional office of Bangladesh Bank is the convener of 07(seven) divisional task forces. Major activities of divisional task forces are to coordinate the activities of divisional

LEAs, ROs, along with the activities of Bangladesh Bank (BB) and to take necessary steps to implement the instructions given by the Central Task Force. The Central Task Force is mandated to convene quarterly meetings to discuss the progress in implementing its goals. In 2022-23 Central Task Force has conducted 3 (three) meetings. Some of the major decisions of those meetings are as follows:

- Providing instruction to Mobile financial services (MFS) providers to publish on their respective websites the list of cancelled agents and distributors alleged to be involved in ML/FT so that those cancelled agents and distributors could not act as agents/distributors of other MFS providers.
- Approving the prepared study paper on 'identifying terrorist financing in Bangladesh'.
- Continuing the initiative to arrange capacity building program on the prevention of Trade Based Money Laundering (TBML) for law enforcement agencies as well as bank officials.
- Organizing quarterly coordination meeting with the LEAs regarding the progress of cases under joint investigation.
- Appointing one/two employee(s) in Banks and MFS providers in order to detect online hundi, gaming/betting & crypto currency related transactions. To prevent these types of illegal activities organizations should take extensive campaign for raising public awareness.

Moreover, 4 (four) Divisional Task Force meetings were held in 2022-23. Some of the major decisions of those meetings are as follow:

- Presenting all the detected fraud abusing MFS along with proper data in every meeting.
- Reporting of any unusual deposits/withdrawals in any account by the banks to appropriate authorities.
- Ensuring vigilance by the banks to prevent trade based money laundering in identifying over/under invoicing, vessel tracking and transfer pricing and enhancing inter-bank communication in this regard.
- Presenting cases filed by LEAs under MLPA, 2012 in the meetings of the task force.

### 3.4 Task Force to Bring Back the Siphoned off Assets to Bangladesh

The government of Bangladesh established a "Task Force to bring the siphoned off assets to Bangladesh" in 2013. As per decision of the 6th and 7th meeting of the Task Force, the government has restructured Task Force chaired by the Attorney General on 15 January 2023. Head of BFIU is one of the members of this 14 (fourteen) member Task Force and Deputy Head of BFIU is the member secretary. BFIU performs the secretarial duties of this Task Force. Some important decisions of the meeting held in 2022-23 are as follows:

- Bangladesh Embassy/High Commission of the concerned countries shall collect and share information about the source of fund, occupation, residence etc. of the suspected money launderers.
- Customs house shall file ML cases If any instance of over invoicing or under invoicing is ascertained at the time of clearance of goods.
- MoFA shall take initiatives to sign MLA agreement/treaty with suggested 10 (ten) countries i.e. Canada, United States of America, United Kingdom, Singapore, Australia, Malaysia, United Arab Emirates, Switzerland, Thailand and Hong Kong-China to receive information, evidence and other necessary legal assistance for the purpose of recovering the laundered money.
- Necessary steps shall be taken by the concerned agencies including Bangladesh Bank for encouraging inward remittances through formal channels

### 3.5 Signing of Memorandum of Understanding with Domestic Organizations

In 2022-23 BFIU has signed 02 (two) Memorandum of Understanding (MoU) with domestic organizations namely Department of Narcotics Control (DNC) and Registrar of Joint Stock Companies and Firms (RJSC).

# 3.5.1 Memorandum of Understanding between BFIU and Registrar of Joint Stock Companies and Firms



### Deputy Head of BFIU along with other officials of BFIU and RJSC at the MOU signing ceremony

Bangladesh Financial Intelligence Unit (BFIU) and the Registrar of Joint Stock Companies and Firms (RJSC) have signed a Memorandum of Understanding (MOU) on 05 June 2023 at the Bangladesh Bank head office in Dhaka. Mr. Md. Rafiqul Islam, Director of BFIU, and

Mr. Muhammad Shafiqul Islam, Deputy Registrar of RJSC, signed the MOU on behalf of their organizations. This MOU marks a significant milestone in strengthening concerted national efforts to prevent money laundering and deter terrorist financing.

The MOU establishes a framework for the exchange of information, cooperation, and coordination between BFIU and RJSC, with the primary objective of combating illicit financial activities in Bangladesh. By leveraging respective expertise and resources, BFIU and RJSC aim to enhance the effectiveness of their efforts in identifying and disrupting money laundering schemes, as well as detecting and deterring terrorist financing activities within the country. This MOU sets the stage for a partnership between the BFIU and RJSC, fostering a closer working relationship that will be instrumental in combating money laundering and terrorist financing.

## 3.5.2 Memorandum of Understanding between BFIU and Department of Narcotics Control



Deputy Head of BFIU along with other officials of BFIU and DNC at the MOU signing ceremony

Bangladesh Financial Intelligence Unit (BFIU) and Department of Narcotics Control (DNC) have signed a Memorandum of Understanding (MOU) on 8 June 2023 at the Bangladesh Bank head office in Dhaka, marking a significant milestone in strengthening efforts to prevent ML & TF. Mr. Md. Rafiqul Islam, Director of BFIU, and Mr. Tanvir Momtaz, Additional DIG and Director of DNC, signed the MOU on behalf of their organizations.

The MOU strengthens the framework for exchange of information, cooperation, and coordination between the BFIU and DNC, with the primary objective of combating illicit financial activities carried out through drug trafficking in Bangladesh. By leveraging respective expertise and resources, BFIU and DNC aim to enhancing the effectiveness of their efforts in identifying and disrupting money laundering schemes. This MOU sets the stage for a stronger partnership between BFIU and DNC, fostering a closer working relationship that will be instrumental in combating ML & TF in this region.

# **International Cooperation** and Engagement

### **Chapter 4**

### **International Cooperation and Engagement**

Combating transnational challenges like ML, TF & PF require global response. FATF recommendation 40 requires countries to ensure their competent authorities shall provide the widest range of international cooperation rapidly, constructively and effectively in relation to money laundering, associated predicate offences and terrorist financing. BFIU consistently offers its assistance and cooperation to its counterparts by prompt response to all the requests received and also seeks cooperation from respective jurisdictions in relevant cases. This kind of international cooperation has become more pertinent as digital transformation is happening very rapidly. To understand emerging threats, typologies, BFIU tries to engage with international standard setter-FATF by providing inputs in its Risks, Trends, and Methods Group (RTMG), Policy and Development Group (PDG) and other expert group/committees of FATF and APG. BFIU also actively participate APG, FATF, Egmont Group, UNCTAD and UNODC initiatives on AML, CFT & CPF.

### 4.1 Asia/Pacific Group on Money Laundering (APG)

The Asia/Pacific Group on Money Laundering (APG) is a FATF style regional body of 42 jurisdictions in the Asia/Pacific region that works to ensure member jurisdictions' effective implementation of international standards related to ML, TF & PF. Bangladesh is the founding member of APG. BFIU works as focal point in the APG on behalf of Bangladesh and is actively engaged its activities for combating ML, TF & PF in this region.

### 4.1.1 25th Annual Meeting of Asia/Pacific Group on Money Laundering

The 25th Annual Meeting of the APG took place in Kuala Lumpur, Malaysia, during 25-28 July 2022. This event marked a significant milestone in the APG's history as it celebrated its 25th anniversary.

The Annual Meeting marked the first face-to-face APG annual meeting since 2019. The event witnessed the participation of over 400 international delegates, both in person and virtual. BFIU being the central agency combating ML, TF & PF in Bangladesh, played a proactive role in the event. Although Bangladesh attended the meeting virtually, the Head of BFIU led the Bangladesh team, which included representatives from the ACC, CID of Bangladesh Police, CIID, RJSC, Foreign Exchange Policy Department, and Payment Systems Department of Bangladesh Bank.

During the four-day meeting, APG achieved several significant outcomes, including the adoption of mutual evaluation follow-up reports and typology reports. Additionally, they approved the 2022 APG Yearly Typologies Report, which contained over 200 case studies highlighting new and emerging trends in money laundering and terrorist financing. The

meeting also included discussions on the Financial Action Task Force's (FATF) strategic direction for the upcoming round of country evaluations and its implications for the APG. Important governance and organizational decisions regarding the APG's future were also deliberated upon.

Furthermore, the meeting featured technical seminars covering topics such as money laundering associated with illegal and unregulated fishing, money laundering related to serious tax crimes, AML/CFT challenges posed by virtual assets, and beneficial ownership linked to legal persons and legal arrangements.

The APG's growth over the past 25 years has been remarkable, evolving from its initial 13 founding members to becoming the largest FATF-Style Regional Body (FSRB) in the global AML & CFT network. The meeting also welcomed Canada as the new APG Co-Chair (rotating), succeeding Malaysia in this role.

### 4.2 Egmont Group

The Egmont Group is an international organization of 170 Financial Intelligence Units (FIUs) that provides a platform for the secure exchange of information and financial intelligence on prevention of ML & TF. Being as a trusted gateway for sharing of financial information and intelligence internationally, the Egmont Group plays a pivotal role to every jurisdiction. BFIU became a member of the Egmont Group in 2013. Through its membership, BFIU has gained access to a wider global platform that facilitates relationship-building with other FIUs and exchanging views, experiences, and information via the Egmont Secure Web (ESW). In 2022-23, BFIU continued to participate in different programs of the Egmont Group, including Working Group Meetings, Regional Group Meeting, Operational Training Sessions and Plenary Meeting.

### **4.2.1** Signing of Memorandum of Understanding

Considering the nature of money laundering and the financing of terrorism, collaboration with international partners is vital for any jurisdiction. Under the mandate of the MLPA, 2012, BFIU may sign MoU with foreign financial intelligence units to facilitate the widest range of cooperation and support in information exchange.

As a member of the Egmont Group, BFIU is able to exchange information with 170 FIUs through the ESW. In addition to this, BFIU has taken the initiative to sign MoU with both Egmont member FIUs and non-member FIUs in order to facilitate the information exchange process and strengthen relationships with them. As of June 2023, BFIU has signed 80 MoU with its counterparts. In the last year, BFIU has extended its cooperation by signing MoU with the Guernsey FIU and Azerbaijan FIU.

### MoU with Guernsey FIU



The memorandum of understanding (MoU) between Bangladesh FIU and Guernsey FIU was signed in 12 July 2022 during the 28th Egmont Plenary meeting. The Director of BFIU Mr. Md. Rafiqul Islam and the Head of Guernsey FIU Mr. Adrian Hale signed for BFIU and Guernsey FIU respectively. The delegations of BFIU were also present at the MoU signing ceremony.

### MoU with Azerbaijan FIU

The Memorandum of Understanding (MoU) between the Bangladesh Financial Intelligence Unit (BFIU) and Azerbaijan Financial Intelligence Unit was signed electronically and exchanged electronically in 29 March 2023. The Head of BFIU, Mr. Md. Masud Biswas, and the Chairman of the Executive Board of Azerbaijan FIU, Mr. ZaurFatizade, signed the MOU on behalf of their respective FIUs.

# 4.2.2 28th Egmont Group Plenary Meeting and Egmont Committee, Working Group and Regional Meetings

The 28th Egmont Group Plenary Meeting was held in Riga, Latvia during 10-15 July 2022. This year, 320 representatives from different FIUs, observer organizations, and international organizations participated in the meeting. A five-member BFIU delegation, headed by Mr. Md. Rafiqul Islam, Director of BFIU, participated in the meeting.

Delegations from BFIU took part in the Policy and Procedures Working Group (PPWG), Membership, Support and Compliance Working Group (MSCWG), Information Exchange Working Group (IEWG), and Technical Assistance and Training Working Group (TATWG) meetings. In those meetings, several important decisions were made, including: developing a new, modern, future-proof IT system and supporting the design of future solutions and promoting the sharing of FIU experiences. Mr. Md. Rafiqul Islam, Director of BFIU, participated

in the Heads of FIUs (HoFIU) meeting on behalf of the Head of BFIU. In the Asia Pacific Regional Group meeting, the participating members agreed to analyze FIUs' role in national risk assessments.



BFIU delegation at the 28th Egmont Group Plenary Meeting, Riga, Latvia, 2022

The President of the Republic of Latvia, Mr. Egils Levits, inaugurated the plenary meeting. This year, the Plenary's thematic discussion was on the new ways to drive FIU effectiveness in a risk-based environment. Throughout the plenary meeting, the participating members decided to continue Egmont Group's strategic focus on developing a new, modern, future-proof IT system and adopt a new strategy that will guide Egmont Group's vision for the next five years and endorse the EG-World Customs Organization Joint Financial Intelligence Training Package.

### **4.2.3** Bilateral Meeting with Foreign FIUs

During the 28th Egmont Group Plenary Meeting in Riga, Latvia, BFIU arranged side meetings with the Switzerland FIU (MROS) and the Qatar FIU (QFIU) to discuss various relevant bilateral issues.

In the bilateral meeting with MROS, a five-member Bangladesh delegation led by Director Mr. Md. Rafiqul Islam met with a two-member Swiss delegation led by Director Mr. Anton Bronnismann. The Bangladesh delegation solicited information on the status of requests that BFIU had sent to MROS through ESW. In this regard, MROS mentioned that they have some special requirements to fulfill information exchange requests. These requirements include any suspicious transaction report/activity, the full name of the account holder, bank account details, and at least one predicate offense that would trigger the request.

In the other bilateral meeting with QFIU, both parties agreed to work together to prevent money laundering derived from narcotics and illegal hundi (hawala). Moreover, both FIUs agreed to support capacity development of the FIU officials and introduce an exchange program. The Bangladesh delegation thanked MROS and QFIU for their extended support and expressed their expectation of continued cooperation in future.

### 4.3 Intelligence Exchange at International Level

As a member of the Egmont Group of FIUs, BFIU exchanges information with the member FIUs through ESW as and when required. BFIU also exchanges information with the non-Egmont member FIUs. During 2022-23, BFIU has received 22 requests from foreign FIUs and provided information accordingly. BFIU has also made 90 requests to the foreign FIUs. The list of information exchange request received and made by BFIU during the last 5 years is given below:

Table-5: Financial Year-wise Intelligence Exchange at International Level

Financial Year	Request Received	Request Made
2018-19	34	62
2019-20	18	103
2020-21	22	191
2021-22	26	103
2022-23	22	90
Total	122	549

### 4.4 E-KYC Implementation and Scale-Up Project Exposure visit



Bangladesh Delegation at the e-KYC Implementation and Scale-Up Project Exposure Visit, India

Under "e-KYC Implementation and Scale-Up Project", a delegation of Bangladesh visited India during 14-16 March 2023 for acquiring practical knowledge and experience. The delegation was comprised of representatives from several key institutions in Bangladesh, including BFIU, Bangladesh Bank, BSEC, Election Commission, and ICT Division.

The primary purpose of the visit was to gain valuable insights into the regulatory framework, operational procedures and best practices for e-KYC implementation in India. The delegation had the opportunity to engage in extensive knowledge exchange with Indian counterparts, both public and private. This exchange facilitated a deeper understanding of India's successful e-KYC implementation and provided insights into the challenges faced and lessons learned. By interacting with regulatory bodies such as Unique Identification Authority of India (UIDAI), Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI), the delegation gained valuable knowledge on the regulatory framework governing e-KYC in India. This knowledge will be crucial in strengthening the regulatory landscape for e-KYC in Bangladesh. The Indian e-KYC system has demonstrated several key advantages and best practices, i.e. centralized KYC registry, digital signatures, unique identifier etc. that can be leveraged to enhance our own digital identification process.

### 4.5 South Asia Financial Crime Compliance Conference-2023



South Asia Financial Crime Compliance Conference-2023, 27 April 2023, Mumbai, India

The International Compliance Association (ICA) organized South Asia Financial Crime Compliance Conference-2023 on 27 April 2023, in Mumbai, India. Mr. Md. Masud Rana, Additional Director of BFIU attended the event as Guest of Honor and Keynote Presenter.

At the conference, Mr. Rana presented on "Strengthening Financial Intelligence: Insights from the BFIU." His presentation highlighted the role of BFIU in strengthening the financial intelligence landscape, not only within Bangladesh but also across South Asian region. This session provided insights into the strategies deployed by BFIU in its relentless battle against financial crimes, thereby promoting financial integrity.

The regulatory roundtable discussion explored the significance of fostering public-private partnerships to combat financial crime, emphasizing the need for cooperation and synergy between government entities and private sector organizations. The exchange of knowledge and experience paved the way for the formulation of innovative strategies to effectively address the challenges faced by the financial sector.

# 4.6 ASEAN Regional Forum Workshop on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)

In collaboration with Lao PDR, European Union (EU) Global Facility on Anti-Money Laundering and Counter-Terrorist Financing organized a three-day 'ASEAN Regional Forum Workshop on Anti Money Laundering and Countering the Financing of Terrorism (AML/CFT)'during 8-10 March 2023 in Bali, Indonesia. Mr. Md. Masud Rana, Additional Director of BFIU attended the workshop as an expert while two other delegates from Bangladesh, one official from BFIU and another from the Ministry of Foreign Affairs attended the workshop.



Bangladesh Delegation at the Workshop, Bali, Indonesia

Non Profit Organizations (NPOs) are regarded as vulnerable to TF abuse. In this regard, compliance with the requirements of FATF Recommendation-8 relating to NPOs is crucial for the most of the countries. However, many countries are struggling to comply with this recommendation and Immediate Outcome-10. Within ASEAN region, most of the countries are rated partially compliant in FATF Recommendation-8. Considering this situation, the workshop aimed to take visible steps to promote effective supervision of NPOs and to assist Mutual Evaluation process in relation to this recommendation.

HE Vincent PIKET, EU Ambassador to Indonesia honored the workshop with his opening remarks. Speakers emphasized the high cost of ML/TF, where social and political unrest threaten peace. Building a network among nations is the most expected job to strengthen the role of preventing ML/TF. Risk assessment and resource deployment based on Risk Based Assessment will help to get better results for Recommendation-8 and Immediate Outcome-10. On the other hand, sufficient measures for the identification, investigation and prosecution of terrorism and terrorist financing cases are highlighted for good effectiveness score. The workshop also highlighted some of the issues related to the challenges of TF like- informal money remittances, migrant workers, e-commerce, charities and virtual assets.

# 4.7 Final Workshop of the Project "Data and Statistics for Measuring Illicit Financial Flows in the Asia Pacific Region"

The final workshop of the project titled "Data and Statistics for Measuring Illicit Financial Flows in the Asia Pacific Region" took place in Bangkok, Thailand, during 7-8 December 2022. This workshop was jointly organized by the United Nations Conference on Trade and Development (UNCTAD), the United Nations Office on Drugs and Crime (UNODC), and the Economic and Social Commission for the Asia and Pacific (ESCAP). Delegations from Bangladesh, Kyrgyzstan, Maldives, Nepal, Uzbekistan, and Vietnam participated in this event.



Participants along with the organizers of the workshop of the Project "Data and Statistics for Measuring Illicit Financial Flows in the Asia Pacific Region", Bangkok, Thailand

In line with the objective of achieving Sustainable Development Goal 16.4.1, which involves measuring illicit financial flows, UNODC, UNCTAD, and ESCAP initiated this joint project in six countries within the Asia-Pacific Region in 2020. The pilot project focused on estimating IFF associated with drugs and drug trafficking in Bangladesh, with UNODC leading its implementation. A total of 23 relevant agencies, including the Department of Narcotics Control, actively participated in the project, with the BFIU serving as the focal point agency. The project reached its successful conclusion with the final workshop held in Thailand.

During the workshop, UNODC, UNCTAD, and ESCAP delivered presentations highlighting the results and outcomes of the projects conducted in the pilot countries. Ms. Juairia Haque, Joint Director of BFIU presented Bangladesh's experiences and lessons learned during the project. UNODC and UNCTAD introduced the "Conceptual Framework for the Statistical Measurement of Illicit Financial Flows" and explained the methodologies for measuring commercial, tax-related, and crime-related illicit financial flows. Through panel discussions and group activities, the workshop aimed to promote the United Nations' efforts of measuring and mitigating illicit financial flows.

### 4.8 FIU's Pilot Group for Asian Development Bank's TBML Project



Participants of ADB TBML project pilot group meeting, Singapore

First in-person meeting of the Financial Intelligence Unit's (FIU) Pilot Group under the Asian Development Bank's (ADB) Trade-Based Money Laundering (TBML) Project was held in Singapore on 06 September 2022. The meeting provided a platform for FIUs from Bangladesh, Pakistan, Sri Lanka, Nepal, Indonesia, and Mongolia to discuss collaborative strategies to address the pressing issue of TBML. A two-member delegation from BFIU participated in the meeting.

The primary objective of this collaborative effort was to integrate trade-related data elements into the goAML application— a crucial step in enrichment of STR reporting related to TBML. BFIU's active involvement in the FIUs Pilot Group since its formation in November 2020, demonstrates its commitment to global cooperation against money laundering and illicit financial activities.

Under the umbrella of the TBML initiative, ADB, in close coordination with FIUs, conducted several capacity building workshops for banks. These sessions played a pivotal role in raising awareness and providing necessary guidance for banks involved in international trade transactions.

4.9 Global Anti-Money Laundering – Counter-Terrorism Financing (AML/CTF) Workshop for Enhanced Engagement between Customs Authorities and Financial Intelligence Units (FIUs)



BFIU official along with the organizer at the workshop, Budapest, Hungary

The World Customs Organization (WCO) and the Egmont Group (EG) jointly organized the global Anti-Money Laundering – Counter-Terrorism Financing (AML/CTF) Workshop for Enhanced Engagement between Customs Authorities and Financial Intelligence Units (FIUs) during 12-13 October 2022, in Budapest, Hungary. One official from BFIU participated in the workshop.

Customs administrations play a vital role in identifying, intercepting, and dismantling criminal and terrorist activities that exploit international borders. Financial Intelligence Units (FIUs), on the other hand, work to secure the financial system from criminals and terrorists. Countries can benefit from the combined efforts of these two agencies.

With the pace of global trade, threats to both regional and global security and the integrity of the financial system are also increasing. Although criminals are using new payment methods, such as virtual assets and virtual currencies, the prevalence of currency smuggling and the smuggling of gold and other precious metals has not been diminished.

The workshop emphasized the importance of close cooperation between Customs and FIUs at the national level and between the WCO and EG at the international level to combat money laundering, transnational organized crime, and terrorism in the customs arena.

# **Professional Development** of BFIU Officials

### **Chapter 5**

### Professional Development of BFIU Officials

BFIU has always sought excellence in its workforce for achieving the best outcomes from its beginning. Like previous years, BFIU took several initiatives for its employees' professional development in this financial year. Officials of BFIU have participated in several workshops and training programs both at home and abroad this year. Furthermore, the Unit has received cooperation from several international organizations and foreign agencies for training, workshops and seminars. Some of the officials have contributed to different AML & CFT forums globally with technical and expert assistance.

### **5.1** APG Assessor Training Workshop

APG organized assessor training workshop virtually during 22-26 August 2022. The primary objective of the workshop was to train potential assessors to participate in the assessment teams who would play pivotal roles in conducting mutual evaluations of APG member countries in the future. The knowledge and skills, acquired during the training, has empowered participants to effectively assess different jurisdictions in AML & CFT perspectives. Moreover, the workshop is very helpful to boost up participant's own country's AML & CFT regime. Thirty-six (36) participants from 23 APG and one Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) member jurisdiction took part in the workshop. The participants engaged in a comprehensive program that covered various aspects of AML & CFT, with a focus on standards and international best practices. Mr. Mohammad Main Uddin, Joint Director of BFIU participated in the workshop virtually and completed the modules successfully.

# 5.2 IMF Capacity Development Mission to strengthen Risk-Based Supervision Framework

The International Monetary Fund (IMF) successfully conducted a three-day capacity development mission during 22-24 May 2023 at BFIU premise, Dhaka. The primary objective of this mission was to engage in comprehensive discussions with BFIU regarding its RBS practices and to provide guidance on improving the supervision tools to further enhance the BFIU's RBS framework. The mission aimed to assist the BFIU in implementing best practices and international standards in AML & CFT supervision.



BFIU officials along with IMF mission delegation, Dhaka

During the mission, the IMF delegation had meetings with Mr. Md. Masud Biswas, Head of BFIU and Mr. A.K.M Sajedur Rahman Khan, Deputy Governor of Bangladesh Bank which were instrumental in fostering collaboration and exchanging insights on strengthening AML & CFT supervisory practices in Bangladesh. Over the course of three days, the mission conducted a total of nine meetings, covering various aspects of AML & CFT supervision challenges and exploring best practices to effectively deal with such issues. The IMF delegation provided valuable recommendations and practical guidance to further enhance the BFIU's supervisory capabilities.

IMF delegation expressed their satisfaction with the progress made by BFIU in implementing the RBS framework. The mission acknowledged the commitment and efforts of BFIU in strengthening its AML & CFT supervisory practices to ensure the integrity and stability of the financial system in Bangladesh.

BFIU appreciates the support and expertise provided by IMF during this capacity development mission. The engagement with IMF will contribute significantly to BFIU's ongoing efforts to enhance its supervisory practices and align them with international standards.

### **5.3** Workshop on Terrorist Financing Working Group

The US Department of Justice's Office of Overseas Prosecutorial Development, Assistance and Training (DoJ/OPDAT) arranged a workshop on 'Terrorist Financing Working Group' for the

prosecutors, judges, and the officials of LEAs and BFIU. The three day workshop held during 04-06 August 2022 in Dhaka was inaugurated by Mr. Md. Golam Sarwar, Secretary of the Ministry of Law, Justice and Parliamentary Affairs where Head of BFIU Mr. Md. Masud Biswas delivered his remarks at the closing session of this workshop.



Head of BFIU Mr. Md. Masud Biswas along with the panel speakers from USDOJ, FBI and BFIU at the workshop on "Terrorist Financing Working Group", Dhaka

Ms. Michelle Prince, Resident Legal Adviser of USDoJ facilitated the program where expert officials of FBI, USDoJ and BFIU conducted sessions on inter-agency cooperation, investigation and prosecution of terrorism financing related cases. Aiming to design a suitable Task Force Model on TF case, participants engaged in discussion on the best practices, stakeholders, standard operating procedures (SOP), logistics and coordination facilitated by the resource persons of the workshop. Furthermore, as a panel speaker, Mr. Md. Rafiqul Islam, Director of BFIU enlightened the participants about the purpose and objective of the workshop in the opening session of the program.

# 5.4 Handling Electronic Evidence: Specialized National Workshop for Bangladesh

UNODC organized a three-day workshop on 'Handling Electronic Evidence' obtaining electronic evidence across borders during 19-22 September 2022 in Dhaka. The workshop was organized under the project "Strengthening the Capacity of Central Authorities and Counter-Terrorism Prosecutors and Investigators in Obtaining Terrorism-Related Electronic Evidence". A two-member delegation from BFIU participated in the workshop and delivered a presentation about the role of BFIU and how it aligns with the goals of the workshop.

The overarching objectives of the workshop were two fold: firstly- to enhance the capacity of the participants to effectively request and acquire electronic evidence from international jurisdictions and overseas service providers, utilizing the UNODC Practical Guide for Requesting Electronic Evidence Across Borders and secondly- to foster the development of robust legal frameworks that support the processing of Mutual Legal Assistance (MLA) requests, especially concerning terrorism-related cases.

The sessions covered a range of topics, including-how to use the UNODC Practical Guide, preservation strategies, pre-MLA actions, MLA procedures, emergency disclosures and service provider cooperation. The sessions were made more engaging through interactive case study exercises, allowing participants to apply what they had learned in practical scenarios. The discussions on the admissibility and presentation of electronic evidence were particularly insightful, offering strategies to overcome the unique challenges posed by digital evidence in court.

### 5.5 Basic Intelligence Course



BFIU Participants with the organizer of the Basic Intelligence Course

The Federal Bureau of Investigation (FBI) of U.S. Department of Justice (USDOJ) organized a Basic Intelligence Course in Dhaka from 30 October to 02 November 2022. Officials from Anti-Terrorisn Unit (ATU), Criminal Investigation Department (CID), Counter Terrorism and Transnational Crime Unit (CTTC) of Bangladesh Police, Customs Intelligence and Investigation Department (CIID) and BFIU participated in the course. Four officials from BFIU attended the course.

Deputy Chief of Mission of U.S. Embassy Dhaka, Helen LaFave and SDS (Training) of Police Staff College, Dr. A.F.M. Masum Rabbani attended the opening ceremony. The course explored Open Source Intelligence (OSINT), Financial Intelligence (FININT), and Human Intelligence (HUMINT). Participants learnt to gather and analyze publicly available information, understand financial data analysis for combating financial crimes, and acquire ethical and effective techniques for human intelligence operations.

The course provided participating officials with valuable insights into the latest techniques and strategies for investigation. The course is expected to significantly enhance Bangladesh's security measures, contributing to a safer and more secure environment.

### 5.6 Workshop on Electronic Evidence in Financial Investigation and Prosecutions

USDOJ-OPDAT hosted a workshop on 'Electronic Evidence in Financial Investigation and Prosecutions'in Cox's Bazar during 3-5 November 2022. Twenty-six participants from various organizations, including BFIU, NBR and ACC, attended the workshop. BFIU delegation was comprised of four officials. Mr. Md. Rafiqul Islam, Director of BFIU presided over the closing ceremony and awared certificates of participation to the participants.

The workshop was conducted by a team of expert from the Washington DC to provide the participants with training and assistance on Electronic Evidence in Financial Investigation and Prosecutions. Different legal and practical aspects of electronic evidence were present during the workshop. Some methods of technical analysis were also discussed. The sessions were really interactive and the participants got the opportunity to learn from each other as well.

### 5.7 Terrorist Financing Investigation and Intelligence Course

The FBI of USDOJ organized a Terrorism Financing Investigation and Intelligence Course in Dhaka during 4-7 June 2023. Officials from ATU, CID, CTTC, CIID and BFIU participated in the course. Four officials from BFIU attended the course.

U.S. Ambassador to Bangladesh Mr. Peter Haas inaugurated the course. Dr. Mallick Faqrul Islam, Rector of Police Staff College, and other high-ranking officials of the college were also present at the opening ceremony. In his opening remarks, Ambassador Mr. Haas said that the counter-terrorism mission remains one of their foremost priorities, and that this mission could not be effectively accomplished without close relationships with law enforcement, intelligence, and security services worldwide. He also reiterated the importance of interagency collaboration, intelligence sharing, and working intelligence driven investigations.

The course was designed to provide the relevant officials with the skills and knowledge they need to identify, investigate and disrupt terrorism financing networks. The course covered a range of topics, including: TF threats and challenges, the essential elements of TF, financial analysis, peer-2-peer payments services, several case studies, several practical exercises, open engagement etc.

# 5.8 Specialized Workshops on Money Laundering Aspects in the Context of Trafficking in Persons and Smuggling of Migrants

Money laundering enables criminals to profit from the crimes while evading detections. It's closely linked to human trafficking, demanding a strong and united response. With this motive, the Regional Office for South Asia of the United Nations Office on Drugs and Crimes (UNODC-ROSA) under the framework of "The Global Action against Trafficking in Persons and the Smuggling of Migrants –Bangladesh (GLO.ACT– Bangladesh) arranged a workshop on "Money Laundering Aspects in the Context of Trafficking in Persons and Smuggling of Migrants". This four-day specialized workshop was held in Dhaka during 15-18 May 2023. Twenty one officials from Ministry of Home Affairs, Ministry of Foreign Affairs, prosecutors from the Anti-Human Trafficking Tribunals, BFIU and Bangladesh Police attended the workshop.



The participant of the workshop on "Money Laundering Aspects in the Context of Trafficking in Persons (TIP) and Smuggling of Migrants (SOM)" with the speakers and the officials of UNODC, Dhaka

The objective of the workshop was to enhance the understanding and capacity of the relevant stakeholders to combat trafficking in persons (TIP) and smuggling of migrants (SOM). The workshop commenced with the introduction and an overview of the GLO.ACT-Bangladesh, human trafficking, money laundering and the linkage between them. There were also presentations on investigation and prosecution of human trafficking related money laundering cases and international cooperation in this aspect. There were also featured sessions focused on technical components including victim care, international queries, the role of BFIU in combating money laundering in the context of TIP and SOM. The workshop concluded with group exercise and a debriefing session where the participants simulated standardized response to incorporate financial aspects on investigation and trial process of human trafficking cases.

### 5.9 In-house Training

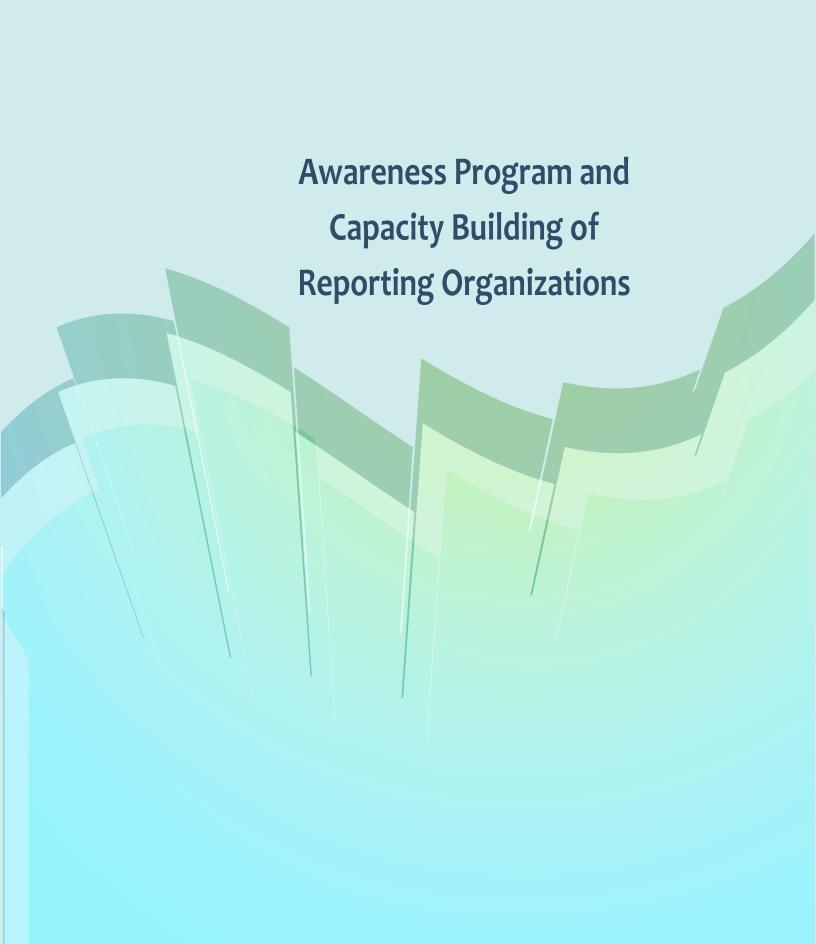
BFIU arranges in-house training programs regularly to enhance the capacity of its officials. Whenever an official receives training or attends a workshop, seminar, etc. at home or abroad, s/he has to share her/his experience with all other officials of BFIU. This culture maximizes the utility of the training program, workshop, seminar, etc. and spreads the knowledge and competencies gained throughout the Unit. Apart from that, BFIU also invites resource persons for its in-house training to discuss updated regulatory frameworks.

In 2022-23, BFIU arranged 7 (seven) in-house training programs on Money Laundering Prevention Act, 2012; Money Laundering Prevention Rules, 2019; FAFT Recommendations, how to conduct a training session, experience sharing of foreign training, inspection technique, payment and settlement system of Bangladesh, file management and interoperable digital transaction platform 'Binimoy' for Joint Director to Assistant Director level officials.

### **5.10** Participation in Training Program

BFIU officials regularly participated in domestic training program, workshop, seminar, etc. organized different organizations. It helps BFIU officials to enhance their capacity as well as capability. Moreover, BFIU officials share their knowledge and experience received from training, workshop, seminar, etc. with other colleagues of BFIU. This practice maximizes the utility of the training program, workshop, seminar, etc.

In 2022-23, BFIU officials participated in 20 (twenty) domestic training programs, workshop, seminar, etc. arranged by different organizations.



### **Chapter 6**

### **Awareness Program and Capacity Building of Reporting Organizations**

The success of an FIU largely depends on the Reporting Organization's ability to effectively identify and report suspicious transactions/activities. Regular AML & CFT related awareness and capacity building programs increase employees' awareness of the latest ML, TF & PF typologies and enhance their vigilance to identify, mitigate and prevent the risks arising from them. Enhancing RO's awareness on AML & CFT issues is one of the utmost priorities of BFIU's action plan in preventing ML, TF & PF. All of these efforts ensure better compliance of the ROs with applicable laws and rules thereunder. In line with such activities, BFIU arranges meetings, conferences and training programs for the ROs from time to time and further provides resource persons to the ROs andother regulatory, investigative and relevant agencies on AML & CFT issues.

# 6.1 Panel Discussion on Contemporary Money Laundering Challenges and Risks in the Banking Sector of Bangladesh



Head of BFIU Mr. Md. Masud Biswas as the Chief Guest of the Panel Discussion, Dhaka

BFIU in collaboration with the Association of Anti-Money Laundering Compliance Officers of Banks in Bangladesh (ACCOBB) arranged a panel discussion on contemporary Money Laundering Challenges and Risks in the Banking Sector of Bangladesh on 16 February 2023 at Bangladesh Institute of Bank Management (BIBM), Dhaka. Head of BFIU Mr. Md. Masud Biswas was present as chief guest and Director General of BIBM, Dr. Md. Akhtaruzzaman was present at the event as a special guest. Mr. Md. Nazrul Islam, the Executive Director and Deputy Head of BFIU presided over the event. Officials of BFIU along with Chief Anti-Money Laundering Compliance Officers (CAMLCOs) and Deputy Chief Anti Money Laundering Compliance Officers (DCAMLCOs) of scheduled banks participated in the event.

To strengthen the AML/CFT compliance structure of banks, the speakers discussed various evolving and contemporary ML challenges and risks in the banking sector of Bangladesh. In light of the discussions, the following recommendations were adopted:

- Ensuring the implementation of bank's own guidelines on trade based money laundering;
- Preparing bank's own database using uniform template prepared by BFIU for verifying the accuracy of prices of various imported and exported goods and services;
- Assessing the ML/TF risks associated with digital financial products and services and report to BFIU before launching such services and products;
- Including the officials of authorized dealer branches involved in foreign trade in lead bank training programs;
- Performing importers/exporters' KYC properly;
- Increasing effective monitoring to prevent over invoicing and under invoicing;
- Arranging proper training program for the newly appointed officers.

### **6.2** Workshop on Countering Trade Based Money Laundering Masterclass



Head of BFIU Mr. Md. Masud Biswas along with the Participants of the Workshop, Dhaka

BFIU and ADB organized a two-day workshop titled 'Countering Trade Based Money Laundering (TBML) Masterclass' during 08-09 May 2023 in Dhaka. 120 officials from 60 banks, 48 officials from 8 law enforcement agencies, and 30 officials from BFIU attended the workshop.

The event started with the opening remarks from Mr. Md. Masud Biswas, Head of BFIU, who emphasized the importance of collaborative efforts in combating trade based money laundering. He highlighted the importance of using latest technologies like artificial intelligence, advanced analytics, machine learning, and data visualization tools to detect and disrupt challenges posed by TBML.

Mr. Steven Beck, Head of Trade and Supply Chain Finance of ADB and Mr. Jae Park, Acting Legal Attaché of the U.S. Embassy in Bangladesh highlighted the significance of countering TBML for maintaining the integrity of financial systems and fostering sustainable economic growth.

# 6.3 E-KYC Implementation and Scale-Up in the Financial Sector of Bangladesh: Industry Engagement Event



Head of BFIU Mr. Md. Masud Biswas along with other Guests of the Event

BFIU and IFC jointly organized a daylong seminar on e-KYC Implementation and Scale Up in the Financial Sector on 04 July 2022 in Dhaka. The Head of BFIU Mr. Md. Masud Biswas inaugurated the seminar as chief guest and Mr. Md. Rafiqul Islam, Director of BFIU chaired the program. The CAMLCOs and the DCAMLCOs of Banks and NBFIs of Bangladesh participated at the event whereas the officials of BFIU and IFC delivered presentations and moderated panel discussions. IFC's Regional Lead, Mrs. Fangfang Jiang and international experts joined the program virtually and shared international best practices.

Head of BFIU, Mr. Md. Masud Biswas in his speech opined that banks and NBFIs are adopting e-KYC expeditiously in the urban area of Bangladesh which marks positive sign of going forward for digital transformation in this sector. But to expedite the implementation in a broader arena, the rural areas should also be brought under the same e-KYC net, he added.

The panel discussion highlighted the importance of e-KYC in the digital transformation of Bangladesh and explained how it will pave the way for establishment of digital bank in future. Mr. Md. Rafiqul Islam, Director of BFIU in his closing remarks ensured BFIU's continuous efforts and commitment towards a robust financial system.

### **6.4** Awareness Program for Money Changers

Foreign exchange volatility has become a pressing issue in Bangladesh, as well as in many other countries. The US dollar has become dominant, and the Bangladeshi taka has weakened. The abnormal increase in the price of the US dollar in the curb market has made the situation even worse. To ease forex market volatility, BFIU has taken steps to prevent adverse effects on foreign exchange reserves, the abnormal increase in the exchange rate of the US dollar against the Taka, and the increased monitoring of the activities of money changer institutions operating in Bangladesh.

BFIU organized training programs for money changer proprietors and officials to raise their awareness of existing rules and regulations. The first phase of the awareness program was held from 23 to 27 October 2022. A total of 336 participants from 168 money changers in Dhaka and its surrounding areas were attended the awareness programs on AML & CFT issues. In the second phase, 122 participants from 61 money changers outside Dhaka were attended the awareness program during 27-28 November 2022.

# 6.5 Regional Conference on Prevention of Money Laundering and Terrorist Financing

BFIU arranged a "Regional Conference on Prevention of Money Laundering and Terrorist Financing" on 14 May 2023 at Bangladesh Bank, Sylhet Office with the participation of regional heads/departmental heads/main branch managers of scheduled banks operating in Sylhet region.

Mr. Md. Masud Biswas, Head of BFIU, was present as the chief guest and Mr. Saiful Islam, Executive Director of Bangladesh Bank, Sylhet Office was present as special guest where Mr. AKM Ehsan, Director of Bangladesh Bank, Sylhet Office chaired the program. By outlining the inspection and supervision activities of BFIU, a keynote presentation was delivered regarding the requirements for risk mitigation by banks. Furthermore, discussion was held on the progress of AML & CFT activities and tackling the impediments of mitigating AML & CFT risk in future.

### 6.6 Day-long Training Session on AML/CFT Investigation for the LEAs



Mr. Md. Masud Biswas as Chief Guest of the Training Session on AML/CFT Investigation, Sylhet

A day-long training session on AML/CFT investigation was organized on 15 May 2023 at Bangladesh Bank, Sylhet office. Mr. Md. Masud Biswas, Head of BFIU, and Mr. Saiful Islam, Executive Director of Bangladesh Bank, Sylhet office, were present at the session as the chief guest and the special guest respectively. A total of 75 officials from Department of Environment, Bangladesh Police, CIID, ACC, DNC, Customs, Excise and VAT Commissionerate along with officers of Department of Banking Inspection of Bangladesh Bank, Sylhet office participated at the training session.

In his speech, the chief guest opined that through the collaborative work among various departments and organizations of the government, there is an opportunity to contribute in eradicating the crimes of money laundering and terrorist financing and at the same time maintaining stability in the financial sector of the country. The special guest of the training session Mr. Saiful Islam expressed that the knowledge gained from this day-long training would be useful to the participants in their respective workplace. Two expert officials of BFIU conducted sessions on the types of ML & TF at national and international levels, the nature

and systematic follow-up of these crimes through the use of digital platforms, theoretical and practical procedures for investigating financial crimes and case studies of certain organized financial crimes.

### **6.7** Lead Bank Training Program



Mr. Md. Arifuzzaman, Director of BFIU as Chief Guest of the Lead Bank Training Program, Sunamganj

BFIU regularly organizes training programs for bank officials working outside Dhaka with the assistance of banks under the Lead Bank Training Program to reach as many participants as possible. A total of 12 (twelve) training programs were organized in 2022-23 and around 800 bank officials were trained up in various AML & CFT issues like National Initiatives on AML & CFT with recent developments, Credit Backed Money Laundering, Trade Based Money Laundering, Regulatory Requirements for Bank on AML, CFT issues, Risk Based Transaction Monitoring, AML & CFT Related System Check and AML Rating and Role of Branch Managers in preventing ML & TF: Challenges and Way Forward, etc.

### **6.8** Facilitating Training Program

The Money Laundering Prevention Act (MLPA), 2012 requires the BFIU to regularly organize training programs, meetings, seminars, and other events for employees of ROs, LEAs and other stakeholders. The BFIU also provides resource persons for these training programs. Employees of ROs are responsible for the day-to-day implementation of AML & CFT compliance and reporting any STR/SAR to the BFIU. It is therefore important to equip these employees with the necessary knowledge of relevant laws, regulations, and guidance.

In addition to the training programs organized by the BFIU, ROs and other stakeholders arrange training programs for their employees on AML & CFT issues. The BFIU provides resource persons for these training programs upon request. In 2022-23, the BFIU provided 162 resource persons for training programs organized by ROs and other stakeholders. These efforts of BFIU help to develop quality human resources in the AML & CFT arena in Bangladesh.

# Battling Illicit Financial Activities: Bangladesh Financial Intelligence Unit's Vigilant Efforts



### **Chapter 7**

# Battling Illicit Financial Activities: Bangladesh Financial Intelligence Unit's Vigilant Efforts

In recent years, the rise of digital technology has led to the proliferation of various illicit financial activities, posing a significant challenge to economies around the world. By embracing a multi-pronged approach, BFIU, in collaboration with other stakeholders, has effectively disrupted the operations of criminal networks engaged in hundi, illegal gaming, betting, cryptocurrency trading and unauthorized forex trading. In this pursuit of tackling this kind of illegal activities, BFIU has undertaken the following initiatives in 2022-23:

### **Key Actions Taken:**

**Action Against Alleged Mobile Financial Services (MFS) Agents and Distributors:** BFIU has taken stringent actions against 5,766 MFS agents and 09 MFS distributors which were alleged to be involved in illegal activities during 2022-23. Information of those agents and distributors has been shared with CID for further action.

**License Cancellation:** Licenses of 5,005 alleged agents have been cancelled by their respective MFS operators on request of BFIU. This measure acts as a strong deterrent factor for MFS agents to be engaged in illegal financial practices.

**Curbing the Misuse of Digital Platforms:** BFIU has taken initiatives to block 664 websites, 148 apps and 401 social media apps associated with illegal gaming/betting activities, forex/cryptocurrency transaction. This proactive approach prevents offenders from exploiting digital platforms to carry out their illicit activities.

**Arrests and Prosecutions:** The collaborative efforts of LEAs and BFIU resulted in the arrest of 43 individuals in connection with 15 cases related to illegal hundi, gaming, betting, and cryptocurrency dealings. This sends a powerful message that these activities will not be left unpunished.

**Suspension of Transactions:** BFIU has suspended transactions of 16,525 MFS accounts suspected to be involved in hundi activities. Notably, out of total suspended accounts 328 accounts have been regularized, since then BDT 12.6 million remittances has been received through these accounts. This demonstrates the positive impact of BFIU's actions on encouraging legitimate financial flows.

**Awareness Programs for Money Changers:** With the aim of stabilizing exchange rate volatility, BFIU conducted a comprehensive awareness and skill development program in two phases for money changers in 2022-23. This program aimed to equip them with the knowledge and tools necessary to detect and report suspicious activities.

# Phase 1 (October 23-27, 2022): During this period, a total of 336 participants from 168 money changers from Dhaka and its surrounding areas attended the program.

# Phase 2 (November 27-28, 2022): During this period, a total of 122 participants from 61 money changers located outside Dhaka attended the program.

**Stringent Monitoring of Money Changers:** To ensure compliance and prevent money changers from being abused for illegal forex dealings, BFIU enhanced its regular monitoring and conducted 17 inspection on money changers in 2022-23. These inspections focused on evaluating the adherence of money changers to relevant regulations and their role in combating illicit financial activities.

**Special Drives on Money Changers:** The LEAs in collaboration with BFIU conducted special drives on money changers. This joint effort aimed to identify and address any potential ML issues promptly.

**Directives to Ensure Enhanced Vigilance:** BFIU issued directives to banks and MFS providers, emphasizing the need for vigilance in preventing fraudsters from using their services as channels for hundi, illegal gaming and betting, forex trading, and cryptocurrency trading. As a result of these measures, the number of STR/SAR submitted by banks and MFS providers regarding these illicit activities increased by 400% in 2022-23 to 595.

**Dissemination of Intelligence to LEA:** BFIU prepared an intelligence report identifying 06 (six) MFS distributors suspected of being involved in the hundi activities and disseminated the same to CID for further action. Notably, two of these distributors have had their activities halted, demonstrating the effectiveness of these efforts.

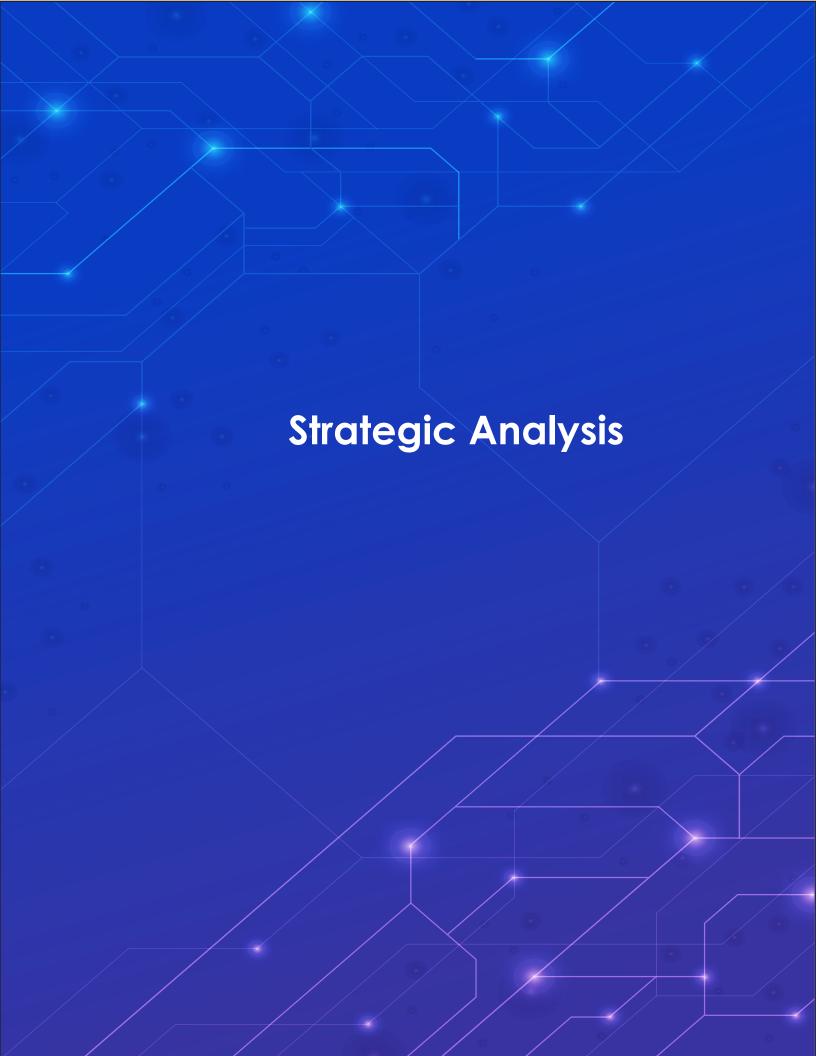
**Diplomatic Measures and Advisories to Prevent Hundi Activities:** In collaboration with the Ministry of Foreign Affairs, BFIU has taken steps to prevent hundi activities conducted abroad using the logos of various Bangladeshi MFS providers. The Bangladesh Embassies in respective countries have been requested to take necessary actions to curb these activities. Furthermore, MFS providers were advised to take appropriate measures to prevent such activities.

Study Paper on Online/Forex Trading/Betting/Gaming Crimes: Based on the decision of the 15th meeting of the Central Task Force on AML & CFT, a study team, led by BFIU, was formed to assess the nature and magnitude of online forex trading/betting/gaming. The team analyzed existing legal provisions and identified key action items to prevent such offenses. Representatives from various departments of Bangladesh Police, including CID, ATU, DB, SB, and Police Headquarters, as well as relevant departments of Bangladesh Bank, including the Foreign Exchange Policy Department, Foreign Exchange Operation Department, and BFIU,

constituted the study team. Based on the study, a report was prepared which incorporated some recommendations for policy actions to be taken to fight these emerging crimes.

**Meetings with MFS Providers:** A series of meetings have been conducted with MFS providers, in collaboration with the LEAs, to address misuse of MFS platform in hundi activities. During these meetings, MFS providers were instructed to actively monitor and detect suspicious transaction/activities using various indicators and submit STR/SAR to BFIU.

**Public Awareness Campaigns:** BFIU has released notices and advertisements in various print and electronic media for creating public awareness on the impact of hundi activities. BFIU also uploads such caution notice on its website. Furthermore, instructions were given to MFS providers to undertake awareness campaigns, including raising public awareness through SMS and popup messages. On the other hand, the banks and MFS providers have been instructed to run such awareness campaign in social media like facebook, youtube, instagram, X (Formerly Twitter), etc.



## Chapter 8 Strategic Analysis

Strategic analysis is essential for making informed decisions about how to combat money laundering and terrorist financing. Interpretive Note 3 to Recommendation 29 of FATF states that FIUs should conduct strategic analysis using available information to identify trends and patterns related to money laundering and terrorist financing. This information can then be used by other competent authorities to identify threats and vulnerabilities.

As a proactive FIU, BFIU regularly conducts strategic analysis using its databases of cash transaction reports (CTRs) and suspicious transaction reports/suspicious activity reports (STRs/SARs), as well as other available sources. BFIU also conducts strategic analysis on emerging issues in collaboration with ROs and other government agencies.

The results of these analyses are used to improve supervision, develop future courses of action, and adopt new policies. They also help other government agencies, particularly law enforcement agencies, to work more effectively to protect the financial system from being misused by criminals.

In 2022-23, BFIU has conducted strategic analysis on the trend of cash transactions in the Bangladeshi economy and loan and mortgage backed money laundering based on STRs/SARs received by the Unit.

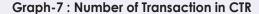
#### 8.1 CTR Trend Analysis in 2022-23

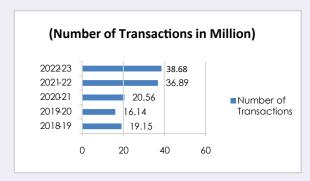
#### 8.1.1 Trend Analysis of Cash Transactions in Bangladesh Economy in 2022-23

Despite the significant development of digital payment methods and digital financial services in the last decade, cash transaction remains popular in Bangladesh, facilitating money laundering due to its anonymity and the difficulty of tracing its source and destination. Traditional criminal activities such as corruption, fraud, forgery, drug dealing, extortion, sexual exploitation, hundi, and human trafficking, often generate cash proceeds. In addition to traditional crimes, new threats are emerging from new technologies such as virtual currencies, online gaming/betting and forex/cryptocurrency trading, where cash is used to disguise the criminal origin of proceeds. The Government of Bangladesh has taken steps to discourage cash transaction and facilitated to develop digital payment ecosystem. Although the new payment ecosystems have been introduced to promote cashless transactions, the use of cash has increased more than previous years, as the economy has also grown. Although the analysis of cash transaction is difficult, is still plays a significant role to identify possible ML & TF threat, detect new trend, find out vulnerabilities of ML & TF, use as basis for system check and special inspection. Considering the importance, BFIU conducts trend analysis of threshold basis (BDT 1.00 million or above) cash transactions annually.

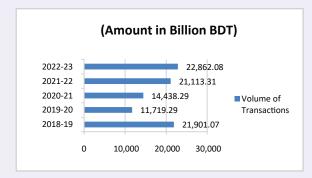
#### **8.1.2** Comparison of Cash Transactions of Last Five Years

A review of the threshold (BDT 1.00 Million or above) based cash transactions in the last five years shows an upward trend in both the number and volume of cash transactions except in 2019-20. The number and volume of transactions has been increased by 23.2% from 2019-20 to 2020-21, and by 46.23% from 2020-21 to 2021-22, twice the previous year's growth. However, the growth rate slowed by 4.85% in the last year, compared to 2021-22. Due to the increase in economic penetration, cash transactions along with various electronic means are increasing day by day.





Graph-8: Volume of Transaction in CTR



#### 8.1.3 Geographical Location-wise Cash Transaction (Volume) in 2022-23

The study of cash transaction (volume) based on geographical locations (graph-9) shows that the highest amount of cash transactions took place in Dhaka division contributing 57% of the total volume of cash transactions (CTR) while Chattogram division stood second having 16% of the total. Besides, Sylhet and Barisal divisions each contributed 2% which is the lowest. However, the volume of cash transaction in the rest of the divisions i.e. Khulna, Rajshahi, Rangpur and Mymensingh divisions were respectively 8%, 6%, 5% and 4% of total cash transactions. As Dhaka is the main hub of all types of business and economic activity, the volume of cash transaction is much higher here i.e. more than half of the total volume.

Graph-9 : Geographical Location-wise Transaction (Percentage)

Dhaka

Chattogram

Khulna

Transact

8,000

7,000

6,000

6,000

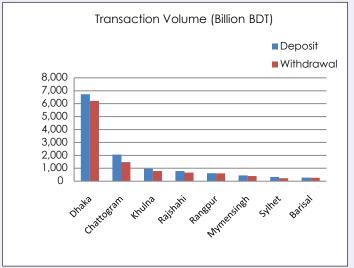
■ Rajshahi

Rangpur

SylhetBarisal

■ Mymensingh

Graph-10 : Geographical Location-wise Transaction (Volume)



On the other hand, the graph-10 shows that the deposit volume is greater in all the divisions than the volume of withdrawal which can infer that large cash deposits may have been withdrawn through electronic fund transfers or cash withdrawals below CTR threshold.

#### 8.1.4 Cash Transactions Scenario in Border Districts in 2021-22 and 2022-23

Cross-border crime has become one of the most concerning issues, as it significantly disrupts both the national security and sovereignty of a country as well as creates social and economic disorder. Furthermore, border areas are more vulnerable for money laundering and terrorist financing as they are hotbed for drug trafficking, human trafficking, smuggling goods and small arms etc. A comparative study of cash transaction in the border areas in previous year has demonstrated in graph-11 considering that large amount of cash transactions in those areas.

Transaction Volume in Border Districts (Billion BDT)

2021-22 2022-23

Cot-Sacara Basar Barara Barar

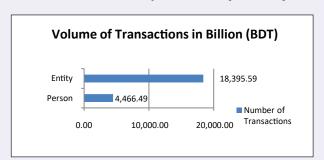
Graph-11: Volume of CTR in Border Districts in 2021-22 and 2022-23

Graph-11 shows overall increase in cash transactions in 2022-23 compared to previous year with an exception in Jamalpur district. Overall, cash transactions in border areas have increased by 19.92% in 2022-23 compared to previous year.

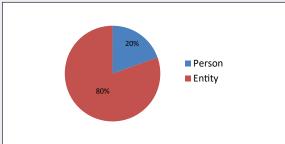
## 8.1.5 Comparative Analysis of Cash Transactions between Personal and Entity Accounts

The comparative analysis of cash transaction between personal and entity accounts shows that 80% of the transactions took place through entity accounts in 2022-23. Despite various initiatives taken by the government and Bangladesh Bank to use various digital financial instruments in business transactions, an upward trend in cash transactions through entity accounts has been observed.

Graph-12: Comparison of CTR: Personal Accounts and Entity Accounts (Volume)



Graph-13: Comparison of CTR: Personal Accounts and Entity Accounts (Percentage)



Graph-13 depicts that, in 2022-23, the amount of CTR transactions made through personal accounts is BDT 4,466.49 billion and entity accounts is BDT 18,395.59 billion.

#### 8.1.6 Threshold-based CTR Transaction

Table-6 shows that the highest volume of cash transactions in 2022-23 was between BDT 1.0 million and 2.5 million, accounting for 37.66% of the total. The number of transactions between BDT 2.5 million and 5.0 million was 1.15 million, contributing to 16.38% of the total. There were 0.39 million transactions between BDT 5.0 million and 10.0 million, accounting for 10.77% of the total. Transactions over BDT 10.0 million contributed the least, at 9.23%.

Table-6: Different Threshold-based on CTR

Threshold Amount	Number of CTR (In Million)	Volume of Cash  Transactions  (In Billion BDT)	Volume of Cash  Transactions  (In Percentage)
BDT 1.0 million or above to less than 2.5 million	6.21	8,611.91	37.67%
BDT 2.5 million or above to less than 5.0 million	1.15	3,745.37	16.38%
BDT 5.0 million or above to less than 10.0 million	0.39	2,462.04	10.77%
More than BDT 10.0 million	.09	2,109.64	9.23%

#### **8.1.7** Recommendations

- (1) Holistic efforts of the government and the central bank should be continued to discourage cash transactions to reduce the risk of money laundering;
- (2) Appropriate measures should be taken to minimize large volume of transactions through entity accounts;
- (3) Monitoring should be strengthened to minimize cash transactions in border areas.

## 8.2 Loans and Mortgages as a Tool of Money Laundering: a Critical Analysis of Loan Related STR/SAR

Money laundering techniques have evolved over time, from Al Capone's era to the modern information technology era. One of the old techniques of money laundering, called "loan-back", was devised by Meyer Lansky, who could avoid Al-Capone's fate of 11 years in jail for tax evasion (Villányi, 2021). Lansky successfully placed his ill-gotten money into several accounts in Swiss Bank and took "legal" loan from other foreign banks using his illegitimate fund as collateral. This introduced Meyer Lansky as the Godfather of money laundering (ACAMS, 2016).

Criminals often use loans and mortgages to launder proceeds of crime. They may also convert their illegal money into real estate, as it is a safe and lucrative investment option. Common tools and techniques used in loan backed money laundering includes offshore corporations, front companies, shell companies, fund diversification, over valuation of primary securities, over valuation of collateral securities, using fictitious assets as security, accommodation bill, using beneficial owner, willful defaulter etc.

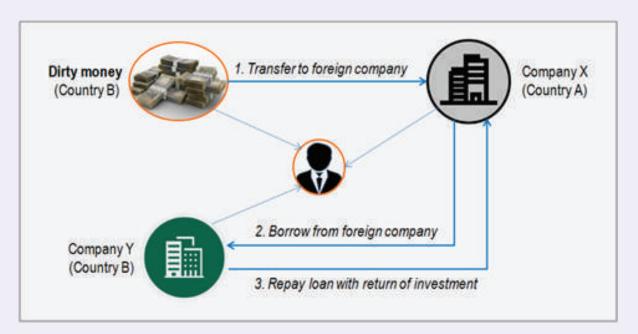
FATF in its report titled 'Money Laundering and Terrorist Financing Through the Real Estate Sector' showed that investment in the real estate offers advantages for both law-abiding citizens and those who would misuse the sector for criminal purposes (2007). Later in 2022, FATF published "Risk-Based Approach Guidance for the Real Estate Sector" The report advised for comprehensive understanding, assessment and management of ML & TF risks associated with real estate sector, and taking appropriate measures to mitigate these risks effectively. It emphasized the need for ensuring customer due diligence (CDD) and identifying beneficial ownership measures to address such risk.

Besides FATF's global standards and guidance, each jurisdiction has its own regulations and guidelines that combine FATF recommendations with country-specific guidance on ML & TF. Australia's financial crimes watchdog, Australian Transaction Reports and Analysis Centre (AUSTRAC) identified home loan in real estate sector as high risk for suspected criminal misuse. Loan application fraud has been identified as the second-most commonly reported fraud by the banks, usually using fraudulent identity documents and forged or altered documents. Meanwhile, the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) issued guidelines which outline method and techniques that the criminals deploy to disguise illicit funds into the real estate sector and thus allow them to purchase high value assets.

BFIU has issued a circular for the Designated Non-Financial Business and Professionals (DNFBPs) which includes real estate developer. It has also issued "Guidance on Reporting Suspicious Transaction Report for the Reporting Organizations" that includes red flag indicators for submitting STR/SAR i.e. sudden payoff/early settlement of loan amount. As per existing laws and instructions of BFIU, the ROs are instructed to submit STR/SAR to BFIU regularly although the amount of STR/SAR on this particular field is lower than any other segment in financial sector. This study aims at analyzing the trends and typologies of the loan related STR/SARs submitted by ROs, critically scrutinizing the objectivity under AML & CFT landscape and making policy recommendation.

#### 8.2.1 Loan-Back Scheme of Money Laundering

The loan-back scheme involves the criminals borrow their own illicit funds either directly or indirectly, and repay the funds with apparently legitimate income (Capgemini, 2011). In this scheme, for example, a criminal sends the ill-gotten money (usually in smaller amounts) to a company (X) established in a foreign country (A) which has more bank secrecy laws. Then the criminal or his/her close associate seeks investment (loan) from the foreign offshore company (X) controlled by the criminal to open a new company (Y) in the home country (B). The income of local company (Y) seems to be legitimate and loan is repaid with this income.



Graph-14: Example of Loan-back Money Laundering Scheme

#### **8.2.2** Mortgage Scheme to Launder Criminal Proceeds

Criminals can seek loan to buy high-value assets and repay the loan with illicit money, or they can buy asset with criminal proceeds and take loan against the 'dirty asset' to enhance the same or make a new investment. In both cases, loans or mortgages are repaid with lump sum amount or smaller 'structured' amounts.

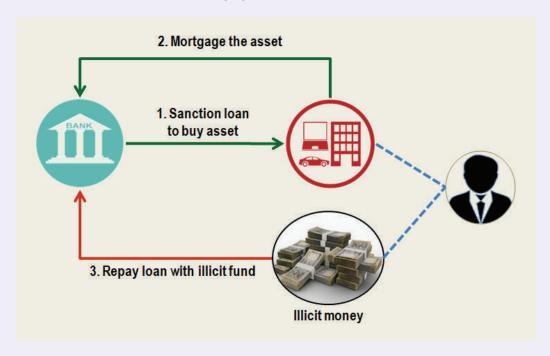
1. Buy asset with illicit money

3. Sanction loan to enhance asset

4. Repay loan with illicit fund

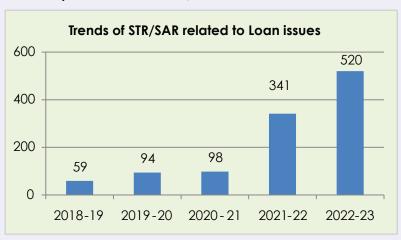
Graph-15: Example of Mortgage Scheme to Launder Criminal Proceeds

Graph-16: Example of Mortgage Scheme to Launder Criminal Proceeds



#### 8.2.3 Loan Related STR/SAR: Trends and Typologies

BFIU has received 1,112 STR/SARs related to loan issues from July 2018 to June 2023. The number of such STR/SARs was quite low in the first three years of the mentioned period, but this number increased sharply in the following two years.



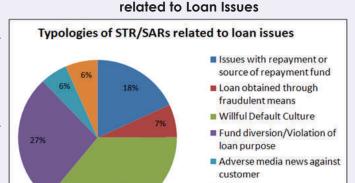
Graph-17: Trends of STR/SAR related to Loan Issues

This study unearthed the reasons or grounds behind lodging these STR/SARs by the banks and NBFIs, and has found the following five typologies broadly:

- i. **Issues with Repayment or Source of Repayment Fund:** Settle the loan before maturity (early settlement or sudden pay-off), adjust loan with large cash deposit or mortgaged assets, paying installments in cash inconsistently with the nature of business, etc.
- ii. Loan Obtained Through Fraudulent Means: Furnishing fake documents or identity to avail loan, same property is mortgaged to different financial institutions (mortgage fraud), etc.
- iii. **Willful Default Culture:** Deliberate non-performing of loan despite of adequate cash flow, default client is traceless or has left country, client has closed business without adjusting loan etc.
- iv. **Fund Diversion/Violation of Loan Purpose:** Huge cash withdrawal or transfer to unrelated parties followed by loan disbursement (utilizing loan fund violating the purpose or condition of loan).
- v. **Adverse media news against customer:** Adverse media reports on loan scam against the customer.
- vi. **Others:** Loan scam in other banks although customer's loan in the reporting bank is regular, customer's information sought by competent authority, customer arrested by LEA etc.

## 8.2.4.1 Money Laundering Typologies of Loan Related STR/SAR -other than Mortgage Property Valuation

Out of the total loan related STR/SARs received by BFIU, about 703 STR/SARs were lodged on various grounds other than mortgage property valuation. Reviewing the typologies of those STR/SARs, it is found that 18% STR/SAR was lodged due to loan repayment or source of repayment fund issue, and 7% STR/SAR was submitted on the ground of obtaining the loan through fraudulent means.



Other

36%

Graph-18: Typologies of STR/SAR

On the other hand, 36% STR/SAR (253 STR/SARs) was lodged on the ground of non-performing loan or willful default culture issue (Highest typology). The striking fact is that banks have filed lawsuit under Artha Rin Adalat Ain, 2003 in case of 203 STR/SARs. Moreover, bank and NBFIs have mentioned that their client has left the country in case of 29 STR/SAR out of these 253 STR/SARs. However, 27% STR/SAR was lodged due to possible fund diversion or violation of the purpose or terms of loan.

## 8.2.4.2 Money Laundering Typology of Loan Related STR/SAR based on Mortgage Property Valuation

Besides 06 broad typologies as discussed above, STR/SARs related to the typology of mortgage property valuation was also found. About 409 STR/SARs were submitted by scheduled commercial banks based on concerns of property undervaluation during the registration of land or flats, especially indicating tax evasion. Despite undervaluation being a potential indicator of Real Estate Money Laundering, it is a widespread practice for buyers to declare a lower property value in official documents and then make off-the-record payments, legal or illegal, to the seller to evade registration fees. This undervaluation also serves the purpose of reducing income tax when reflected in tax filings. However, in these instances, the reporting banks did not raise suspicions about the property being linked to criminal proceeds; their focus was solely on the tax-related issues.

During the period, only 01 STR was submitted by a bank related to the overvaluation of mortgage property. Typically, clients intentionally inflate the value of their mortgage property, either with or without the assistance of bankers, to secure a higher loan amount and

subsequently divert the sanctioned funds. Overvaluation allows criminals to obtain larger loans, providing them with the means to legitimize more funds and property as they repay their mortgage. Non-payment of mortgages poses default and, at times, money laundering risks for banks. These risks can be mitigated by implementing effective Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), and timely reporting of STR/SARs to the relevant authorities.

It is crucial to note that, before filing STR/SARs, ROs should conduct thorough Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) to ascertain the legitimacy of the customer's funds used in real estate transactions. Illicit funds are sometimes blended with legal income, making it challenging to trace their origin, highlighting the importance of effective CDD.

It is evident that few numbers of STR/SAR has been reported regarding the issue raising the suspicion of over valuation of mortgage property where as a mentionable amount of STR/SAR reported due to under valuation of real estate property at the time of registration to evade tax. As money laundering risk of over valuation is much more than that of under valuation; Bank/NBFIs should report more STR/SAR focusing over valuation of mortgage property to mitigate money laundering risk.

#### Case 1: Taking Loan against Proceeds of Crime

Ms. Kajol established an e-commerce company, namely 'XYZ' Limited, with the ill-gotten fund provided by her brother Mr. Rakib who is a government employee. 'XYZ' Limited offered lucrative offers to its customers who made advance payment to buy products, but 'XYZ' Limited did not deliver the products timely, and ultimately embezzle the fund. With this fund, Ms. Kajol purchased land and apartment valuing BDT 150 million in different locations of Dhaka. Later Ms. Kajol applied for a home loan to a NBFI and ultimately BDT 15.00 million home loan was sanctioned after mortgaging a property which was purchased with proceeds of crime. Here, Ms. Kajol availed loan to disguise the illegal property and the concerned NBFI failed to justify the source of property or lodge STR to BFIU. Based on the analysis of BFIU, LEA has filed a money laundering lawsuit against Ms. Kajol and Mr. Rakib.

#### Case 2: Mortgage Fraud

Mr. Badol availed loan of BDT 12.00 million from Surma Bank to purchase a flat from Ms. Anila, a Bangladeshi immigrant in the USA. The buyer and seller accomplished a sale deed, and on the same day, the lender bank accomplished a mortgage deed with Mr. Badol. This was clean deal among Ms. Anila, Mr. Badol and Surma Bank. Afterwards, a series of fraudulent activity executed within the following month as described below:

- Using the information of the original sale deed, Mr. Badol produced three fabricated sale
  deeds and applied for loan of BDT 16.00 million, BDT 12.50 million and BDT 18 million from
  two other banks and a NBFI. Ultimately those loans were sanctioned and the flat was
  mortgaged and pay order was issued in favor of Ms. Anila who was not aware of these
  fraudulent activities.
- Mr. Badol collected birth registration of Ms. Anila from City Corporation with her identity information. Using this birth registration, Mr. Badol opened fake account in the name of Ms. Anila in Northern Bank. In the account opening form, Ms. Anila was shown as the wife of Mr. Badol, but photo of Mr. Badol's real wife was used instead of Ms. Anila's photo. Mr. Badol also produced fake passport of Ms. Anila.
- The three pay orders were credited to the above mentioned fake accounts and the loan fund (total BDT 46.50 million) was withdrawn in cash.

These three bank/NBFIs were not only defrauded by Mr. Badol but also several bank/NBFIs in the same way were defrauded in the same way. It was found that Mr. Badol was a member of an organized criminal group that forged sale deeds of a few other lands/flats and identity document of the real seller, avail loan against mortgaged property and ultimately embezzled approximately BDT 130.00 million. It has been alleged that said group forged sale deeds in collusion with the concerned sub-registry office, and bank/NBFIs failed to verify the authenticity of these sale deeds and the property before taking mortgage.

## Case 3: Taking Loan in the Name of Close Associates and Early Settlement of Loan

Mr. Ratan, a mid-level government official, signed a deed with PQR Properties Ltd to purchase an apartment valuing BDT 25.00 million. He made a down payment of BDT 10.00 million through fund transfer from his own and brother's account. Mentionable that, source of fund of both the accounts was declared as salary.

Ms. Kabari, mother of Mr. Ratan, applied for a loan of BDT 15.00 million from XYZ Finance. XYZ Finance approved BDT 13.00 million home loan in favor of Ms. Kabari after taking mortgage a land in her name. Analysis revealed the land was purchased in Ms. Kabari's name by transferring amount from the account of Mr. Ratan, who was actually the beneficial owner. After paying only 10 installments, Ms. Kabari adjusted the loan (early settlement) by transferring BDT 11.00 million from her account. Mr. Ratan purchased another land in her mother's name by transferring BDT 40.00 million from his account to his mother account. It is concluded that XYZ Finance did not identify the beneficial owner of the property while taking it as mortgage, and Mr. Ratan attempted to hide illicit origin of the property that he earned through corruption.

#### 8.2.5 Conclusions and Recommendations

Although loan related STRs/SARs have increased over time in the last five years, these STR/SARs severely lack the elements of suspicious transaction as illustrated in the law. It seems that banks and NBFIs are more concentrated to report loan scam as STR/SAR without considering the ML & TF aspect in the loan scam. It is also evident that a significant number of compliance officers have misconception about the "loan-back" scheme of money laundering, and their common perception is to lodge "loan scam" (non-performing loan, willful defaulter, diversion of loan fund, violation of the loan purpose or terms of loan etc.) as loan-back scheme of money laundering. Moreover, banks and NBFIs seem to be more reluctant to scrutinize the property taken as mortgage and monitor the repayment of loan. The study proposes the following policy recommendations to tackle the money laundering through loans and mortgages:

- Banks and NBFIs should apply proper screening mechanism to link loan scam issue with money laundering elements.
- BFIU should take initiatives to develop knowledge base of the compliance officers regarding money laundering through loans and mortgages
- BFIU should develop typology report on how loans and mortgages can be used as a cover to hide the source of illicit funds.
- Banks/NBFIs should report STR/SAR focusing over valuation of mortgage property to mitigate money laundering risk.



#### Chapter 9

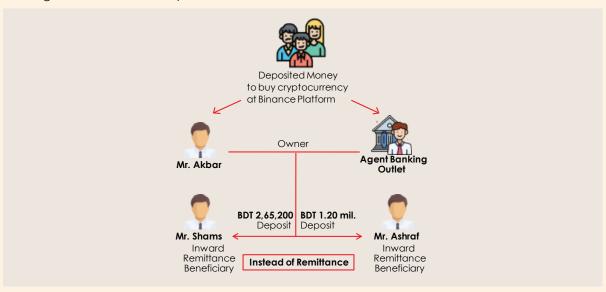
#### **Case Study**

## Case 1: Illegal Trading of Cryptocurrency and Use of Crypto Sale Proceeds for Digital Hundi Purpose

A complaint regarding illegal trading of cryptocurrency was received from a regulatory authority. After analyzing the compliant, BFIU identified 24 different personal accounts and 5 entity accounts in different banks and MFSs involved in the seillicit activities.

While analyzing bank account statements of suspected persons and entities, BFIU found numerous instances of transactions with different crypto exchanges. Leveraging Open Source Intelligence (OSINT), BFIU identified the corresponding crypto transactions in the Virtual Asset Service Provider (VASP) platforms like Binance, Bybit. This established a clear link proving that these bank/MFS accounts were being used to buy crypto currency from crypto traders.

Mentionable that, virtual/crypto currencies are neither approved foreign currency/exchange nor approved form of transactions/investments in Bangladesh. BFIU observed that in most of the cases, internet banking and mobile banking apps were used to execute the transactions. In addition, BFIU analyzed the money-flow of those transactions and found that the proceeds of crypto sale were transferred to the bank accounts of the beneficiaries of the foreign remitters. BFIU collected information from the bank officials and found that relatives of foreign exchange remitters always receive the money from different domestic account holders instead of inward foreign remittance. In this case, BFIU found that agent banking outlets were being used to open bank accounts for illegal crypto currency trading and an agent outlet owner, Mr. Akbar was the mastermind behind the crypto selling and digital hundi process. Based on the findings an intelligence report has been sent to the respective LEA for further investigation and necessary action.



N.B. The names of the persons and entities used in the above cases are fictitious and are being used only for representation of real cases.

Offence	Smuggling of Money or Property
Customer	Person, Entity
Industry	Agent Banking, Internet Banking Apps
Report	Compliant
Jurisdiction	Domestic, International
Designated service	Account Service
	Name of the VASP found in the bank account statement
	Transaction amounts werenear to USD denominated values
Indicators	Local beneficiaries of foreign remittance receiving fund in
	local currencies from different domestic banking accounts
	Frequent transactions between the related parties

## Case 2: Embezzlement of Depositors' Fund by Purchasing Pre-IPO Placement Shares of a Company by the Top Management of a Bank

During system check in a bank's head office, it was revealed that the top management of Rupsha Bank Ltd. embezzled about BDT 225.00 million by purchasing pre-IPO placement shares through fraudulent means.

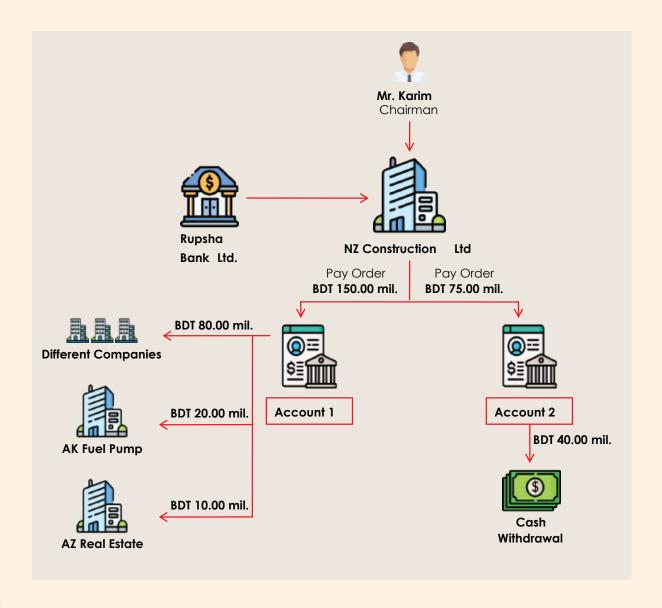
In order to increase paid-up capital, NZ Construction Ltd signed contract with Rupsha Bank Ltd. for selling of 150.0 million pre-IPO shares at BDT 225.00 million with premium. According to the investment policy of the bank for investment above BDT 10.00 million, prior approval of the executive committee of the board of directors is required but in this case the bank officials could not provide any such approval except a memo, signed by the Managing Director and junior officer of the bank regarding issuance of pay order. Besides, the bank officials could not provide any approval of BSEC for sale of pre-IPO placement shares for raising the paid-up capital of NZ Construction Ltd.

While checking the vouchers, it was found that 2 (two) pay orders amounting BDT 150.00 million and BDT 75.00 million (total BDT 225.00 million) had been issued by the bank favoring NZ Construction Ltd. Of the two pay orders, BDT 150.00 million was transferred to account of NZ Construction Ltd. From this amount 25.10 million was withdrawn in cash, 10.00 million was transferred to a real estate company (AZ Real Estate), 20.00 million was transferred to the account of a refueling company (AK Fuel pump) and 80.00 million was transferred to different savings account of other sister concerns. Thus, it is evident that the transferred fund (i.e. 150.00 million) was utilized for other purposes violating the norms.

The other pay order valuing BDT 75.00 million was deposited to another account of NZ Construction Ltd operated in Rupsha Bank Ltd. and later 40.00 million was withdrawn in cash on the same day. BFIU inspection team also found that BDT 40.00 million had been deposited to savings account of Mr. Karim (Managing Director of NZ Construction Ltd) at the same date and 33.50 million to other sister concerns.

On the other hand, the business address of NZ Construction Ltd was found in a small room which is also the business address of 3 (three) other companies. A small room of about 350 square feet seems unusual to accommodate so many business entities.

Investing huge amount of money without approval of the competent authority of the bank, offering pre-IPO placement share without BSEC's approval, funneling the fund creating a complex layering and transfer of company's fund in personal account had raised suspicion that the whole invested amount (BDT 225.00 million) was embezzled by the top management of the bank in connivance with NZ Construction Ltd. Based on the analysis, an intelligence report was disseminated to the respective LEA for further course of action as per MLPA, 2012.



N.B. The names of the persons and entities used in the above cases are fictitious and are being used only for representation of real cases.

Offence	Corruption
Customer	Individual, Entity
Industry	Bank, Capital Market
Channel	Banking Channel
Report Type	System Check Report
Jurisdiction	Domestic
Designated Service	Pay-Order
Indicators	Purchasing pre-IPO placement share without approval from
	the competent authority of the bank
	Offering pre-IPO placement share without approval of BSEC
	Funneling of fund creating a complex layering structure
	Transfer of company's fund in personal account

## Case 3: Loan Embezzlement Using 3rd Party Mortgagor with Fraudulent Documents

Following the Suo Moto Rule of the Honorable High Court, BFIU initiated inquiry regarding the complaint of mortgaging 25 decimal land belonging to Dhaka-Mymensingh Highway against a loan of BDT 150 million.

BFIU's inquiry finds that the contentious 25 decimal land was not actually mortgaged by the customer in the time of availing loan. Rather it was annexed to the property to be liquidated under Artha Rin Adalat Act, 2003 on request of Dhanshiri Bank Ltd. However, it was unearthed that Dhanshiri Bank Ltd. sanctioned BDT 150 million loan in favor of Mr. Kabir against a 3rd party mortgaged land (326 decimal) situated in Gazipur. Mr. Kabir is an automobile importer cum trader, made a deal with Mr. Manik, for this loan purpose via a middleman. Mr. Manik is a professional 3rd party mortgagor who was previously declared guilty by the Honorable Court for embezzling a loan amount of BDT 37.89 million from another bank using false local LCs.

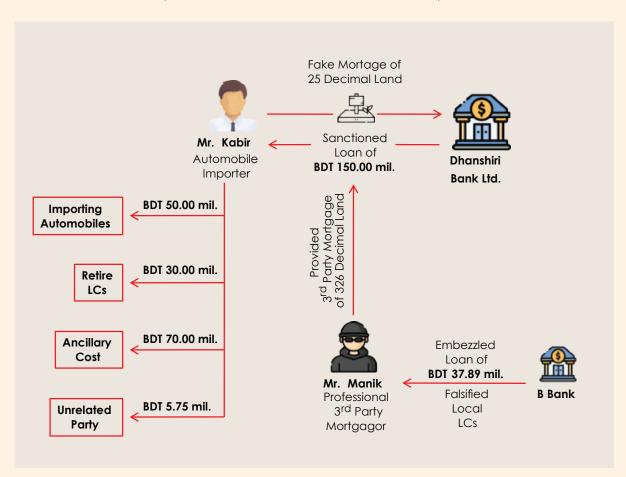
While sanctioning BDT 150 millionloan, the panel lawyer, surveyor and the loan approving branchof Dhanshiri Bank Ltd., initially confirmed the authenticity of the title and power of attorney deed of the property. However, 9 months later, the Internal Control Division of Dhanshiri Bank Ltd. found the documents (title deed, mortgage deed and power of attorney deed) fictitious and the loan marked as classified.

Analyzing the loan related documents, it was found that Dhanshiri Bank Ltd. sanctioned the loan (BDT 150 million) under the terms that Mr. Kabir will use BDT 50 million for importing automobiles, BDT 30 million for retiring LCs and BDT 70 million forcovering ancillary costs as well as purchasing automobiles from other importers. But analysis found that Mr. Kabir took BDT 10.37 million, mostly in cash, against its limit of BDT 70 millionin 29 deals.

On the other hand, though Mr. Kabir was supposed to purchase automobiles form other importer, he presented his own enterprises as genuine automobile seller and convinced Dhanshiri Bank Ltd. to disburse fund in favor of those enterprises. Furthermore, he made payments of BDT 5.75 million to unrelated parties. In another case, he imported polished tiles which do not commensurate with the nature of business (automobile business).

BFIU inquiry indicated that there were lapses on part of Dhanshiri Bank Ltd. in ensuring due diligence during the sanction of the loan. Furthermore, the bank branch also went with disbursing loan amount without ascertaining proper possession of the traded item taking place during the aforementioned 29 deals. Furthermore, the bank continued to provide banking service to Mr. Kabir despite identifying the fraudulent activities and deferred raising STR/SAR to BFIU which indicate probable collusion between the bank officials and the alleged customer.

Based on the analysis, an intelligence report was sent to the Honorable Court and also disseminated to the respective LEA for further course of action as per MLPA, 2012.



N.B. The names of the persons and entities used in the above cases are fictitious and are being used only for representation of real cases.

Offense	Embezzlement, Fraud, Forgery
Customer	Entity
Industry	Bank
Channel	Banking Products
Report Type	Inquiry Report against Court Order
Jurisdiction	Domestic
Designated Service	Loan, LCs
Indicators	Same person posing as buyer and seller to take loan
	Import unrelated products
	Forged documents and 3rd party mortgagor with previous
	declared guilty by the Honorable Court

#### Case 4: Siphoned off Money Abroad through Android Application

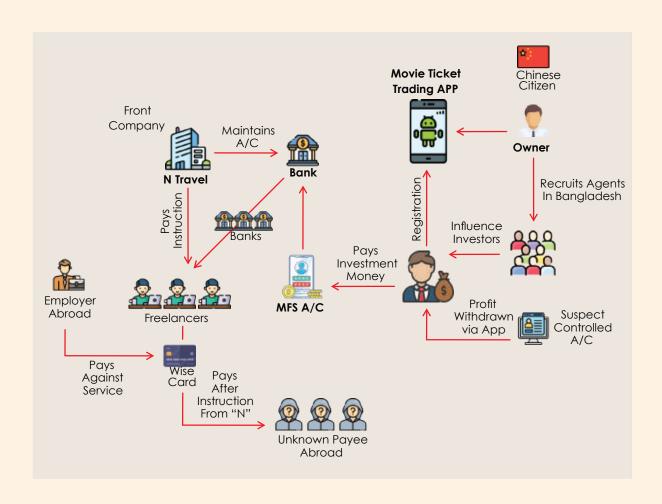
During monitoring of social media platform, BFIU noticed suspicious activities in an android app-based investment scheme. Through this application the people were being allured to invest in trading e-movie ticket with a high return. The collected fund in BDT was subsequently used for trading e-tickets in USD.

BFIU analysis revealed that the android application was introduced by a Chinese citizen. He recruited agents in Bangladesh who worked to promote the scheme and influenced people to invest in e-ticket trading through the app. Among the agents, two are found to be working in a renowned commercial bank's call center.

For fund collection from the public, the agents used different MFS accounts of their allies. Around BDT 280 million was collected through MFS accounts and subsequently deposited to 27 different personal and fictitious business bank accounts. Using those fictitious and front company accounts, they created a complex layer of transaction to hide the source of the fund. The entire fund was then transferred to 461 personal accounts.

Analysis found that, the beneficiaries of the fund were freelancers working in Bangladesh. The agents of this scheme made a deal with those freelancers to transfer USD to their allies in abroad from their Wise Cards (remittance received from foreign employer) in exchange of payment in BDT in their bank accounts. Thus, they siphoned off BDT 280 million abroad. In few cases, they disbursed profit to the investors' MFS account through the app to make it more reliable and attract more investors.

Based on the analysis, BFIU prepared an intelligence report and disseminated to the respective LEA for further action under MLPA, 2012.



Offence	Smuggling of Currency, Fraud
Customer	Entity, Individual
Industry	E-Commerce, Online trading
Channel	MFS, Bank
Report type/Source	Social Media
Jurisdiction	Domestic, International
Designated Service	Account Service
Indicators	Complex/unusual transaction pattern
	Trading of unrealistic product/service
	Front company

#### Case 5:

## Withdrawal of Large Sum of Cash from a Bank Branch after Regular Banking Hour with the Connivance of the Top Management of the Bank.

During system check conducted by BFIU at Polashpur Branch of Mohona Bank Ltd, the team verified the bank records of cash transactions and found the incident of withdrawal of large sum of cash from an overdraft account after regular banking hour.

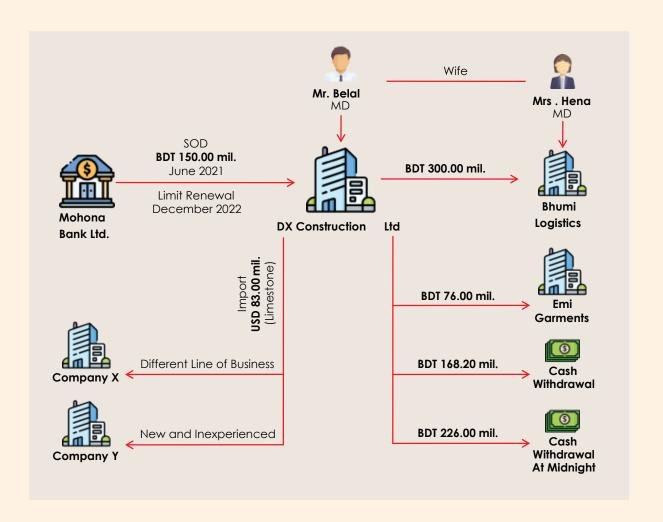
Mr. Belal is the Managing Director of DX Construction Ltd. Polashpur branch of Mohona bank Ltd. approved an overdraft (OD) loan of BDT 1000.00 million in favor of DX Construction Ltd. against a work order valuing BDT 1240.00 million in June 2021. As per the terms of loan sanction policy of the bank, a maximum of 40% of the total amount of the work order shall be disbursed which would be adjusted from the bill of that work order. But, in this case, an amount of BDT 1000.00 million had been sanctioned instead of BDT 496.00 million (40% of the work order) without any justified explanation.

Out of total sanctioned amount (BDT 1000.00 million) about BDT 774.00 million was withdrawn from the account at different times, of which about BDT 300.00 million was transferred to the account of Bhumi Logistics, a company owned by Mrs. Hena, wife of Mr. Belal, through a pay order; about 168.20 million was withdrawn in cash and about BDT 76.00 million was transferred through clearing check to the account of a garment company, Emi Garments.

Though it was a mandatory requirement of the sanction letter that work order bills should be submitted into the OD account, no bills had been credited to that particular account even after the four and half month from the expiry date of the loan payment. Yet Mohona bank Ltd. renewed the remaining amount of the sanctioned loan i.e. BDT 226.00 million in December 2022 through a board meeting held at the last hour of the working day. The Credit Risk Management Department of the bank had been informed about the approval of the loan in favor of DX Construction within a few minutes and after a while the loan sanction letter was sent to the Polashpur branch. It was noticeable that the cash feeding branch, even after its closure, started for Polashpur branch with BDT 226.00 million before the approval of the loan at the board meeting. The customer then withdraws the entire amount (BDT 226.00 million) from that branch in cash at around 8.12PM-9.04 PM. Analyzing other bank accounts of DX Construction Ltd, BDT 30.00 million was found to be deposited, on the following day of withdrawing BDT 226.00 million from Mohona bank Ltd, in three different banks (BDT 10.00 million each) to reschedule loan of that company. The trail of the rest amount could not be traced.

On the other hand, it was found that DX Construction opened 7 (seven) LCs valuing USD 83.00 million to import limestone in the year 2021-22. But anomaly in the nature of business between DX Construction (construction business) and exporter companies (i.e. commercial fleet rental, relatively inexperienced and new company) was found. It seemed that the company was involved in laundering money abroad in the name of trade through documented transaction.

Based on the analysis, an intelligence report was disseminated to the respective LEA for further course of action as per MLPA, 2012.



Offence	Corruption, Fraud, TBML
Customer	Entity
Industry	Bank
Channel	Banking Channel
Report Type	System check report
Jurisdiction	Domestic, International
Designated Service	Pay-Order, LC
Indicators	Disbursing loan amount violating banking rules
	Huge amount cash Withdrawal at night
	Discrepancy in the line of business between importer and
	exporter

#### Case 6: Embezzlement of Approximately BDT 2.26 Billion by a Bank Director

Based on media report, BFIU started analyzing a case regarding financial scam by Mr. Ali, Chairman of New Horizon Life Insurance Company. Later on, BFIU received several STR/SARs on this issue from different banks.

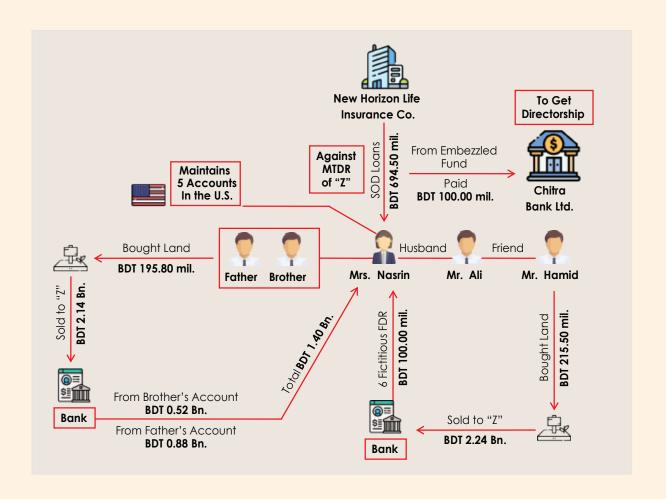
BFIU conducted on-site inspection in four banks along with the said insurance company. It was found that Mrs. Nasrin (spouse of Mr. Ali), Director of New Horizon Insurance Company and Chitra Bank Ltd, embezzled approximately BDT 1.50 billion by overvaluing two pieces of land that the insurance company purchased from her relatives and other associates.

From the sale proceeds of the first land deal, Mrs. Nasrin received BDT 100 million from the land owner, which was then deposited into 6 (six) Fixed Deposit Receipt (FDR) accounts using fictitious names to hide the money trail. These FDR accounts were later encashed and new FDR accounts of same value were opened in her name in the same branch. On maturity, these FDRs were encashed and the entire amount was transferred to another bank account of Mrs. Nasrin.

For the second land deal, Mrs. Nasrin received approximately BDT 1.40 billion. Scrutinizing the land papers, it was found that the land was first purchased in the name of her father and brother at a cost of BDT 195.80 million and just after 10 months, the same piece of land was sold to the insurance company for BDT 2.14 billion.

Furthermore, Mrs. Nasrin embezzled around BDT 694.50 million by creating Secure Over Draft (SOD) loans in various banks against FDR of the said insurance company. When those loans became overdue, the banks encashed the FDRs under lien and adjusted the loan. Out of the loan amount, she utilized BDT 100 million to become director of Chitra Bank Ltd. Information divulge that she had been maintaining 5 bank accounts in the USA.

Analysis revealed that Mrs. Nasrin embezzled a total of BDT 2.26 billion from New Horizon Life Insurance Company, using the authority of her husband, Mr. Ali. Based on the findings, an intelligence report has been prepared and disseminated to the respective LEA for further action as per MLPA, 2012.



Offence	Corruption
Customer	Entity, Individual
Industry	Insurance, Bank
Channel	Bank
Report type	Media News, STR/SAR
Jurisdiction	Domestic, International
Designated Service	Account Service
Indicators	Unusual transaction pattern
	Fictitious business account
	3rd party lien of FRDs

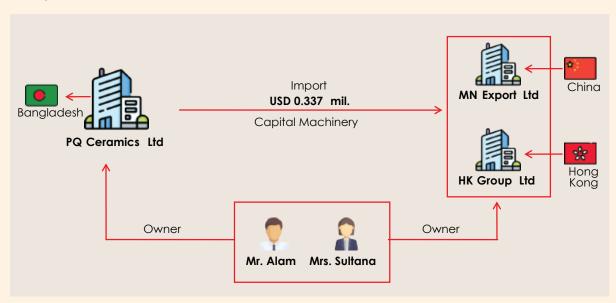
## Case 7: Siphoning Off Money in the Name of Importing Capital Machinery and Raw Materials from Own Company Established Abroad

BFIU received a complaint against a ceramics company, PQ Ceramics Ltd regarding import of capital machinery from their own established company located in China and Hong Kong in high price and changing HS Code of the products.

BFIU analysis revealed the following facts:

- PQ Ceramics Ltd in Bangladesh is a family-owned company where Mr. Alam is the Managing Director and his wife, Mrs. Sultana is the Director. They both hold 50% and 100% share of HK Group Ltd in Hong Kong and MN Export Ltd in China respectively.
- PQ Ceramics Ltd opened LC to import capital machinery valuing total USD 0.337 million from MN Export Ltd and HK Group Ltd.
- HS Code of the product mentioned in commercial invoice is found completely different from HS Code mentioned in the Bill of Entry.
- The price of imported product (in the year 2020) appeared to be much higher even compared to price shown in Alibaba.com in 2023.
- PQ Ceramics Ltd also availed BDT 80.00 million Bai-Muazzal (TR) loan facilities from Ichamoti Bank Ltd. but no stock report was prepared by the concerned bank.
- Mr. Alam and his wife had no permission from Bangladesh Bank for investment abroad.

It was assumed that Mr. Alam and his wife smuggled currency abroad through the means of over invoicing in importing capital machinery from their own company abroad and evaded tax by changing HS Code of the product. Based on the findings of the analysis, BFIU disseminated intelligence report to respective LEA under MLPA, 2012 for next course of action.



N.B. The names of the persons and entities used in the above cases are fictitious and are being used only for representation of real cases.

Offence	Smuggling of Currency, TBML
Customer	Entity
Industry	Bank
Channel	Banking Channel, SWIFT
Report Type	SAR (complaint)
Jurisdiction	Domestic, International
Designated Service	Loan, L/C
Indicators	Over invoicing
	Alteration of HS code of the product
	Investment abroad without permission from Bangladesh Bank.

## Case 8: Bank Officials Laundered Huge Amount through Trade and Hundi Activities in the Guise of Fake Companies

Media news regarding the arrest of Mr. Xerox, a bank official, with drugs, gold and valuable watches on arrival at the airport came to the notice of BFIU. Based on the information, BFIU conducted a special inspection on Tista Bank Ltd. and found suspicious transaction in a company's account owned by the alleged official, Mr. Xerox and another official of the same bank Mr. Zahin.

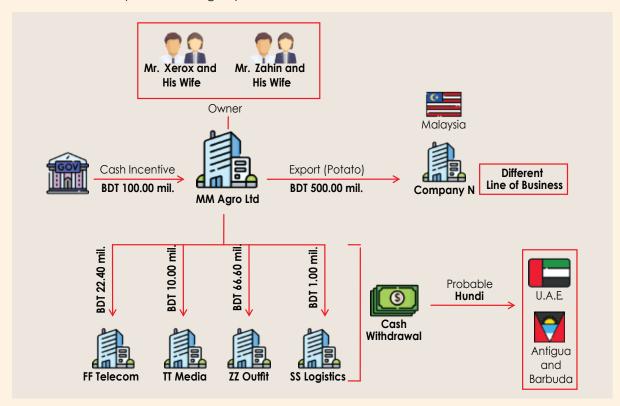
Two employees of Tista Bank Ltd., Mr. Xerox and Mr. Zahin along with their wives established an agro based company, MM Agro Ltd. violating staff rules of the bank that forbids current employees to be engaged in business/profit making activities. Analyzing the transaction documents, it was found that the company received cash incentives of BDT 100.00 million against potato export valuing around BDT 500.00 million to Malaysia. The cash incentives were then layered using some other sister companies of MM Agro Ltd such as FF Telecom, TT Media, ZZ Outfit, SS Logistics, PP Fashion House etc. and later withdrawn the entire amount in cash. But no physical existence of those companies, including MM Agro Ltd was found during on-site verification. It was found that those companies were registered in the name of employees of MM Agro Ltd and the relatives of Mr. Xerox and Mr. Zahin.

Furthermore, the arrest of Mr. Xerox with drugs, gold and valuable watches at the airport triggers the suspicion that he was involved in drug and gold smuggling. He later, along with his wife, fled the country using foreign passport. It was found that the couple got citizenship of the UAE and Antigua and Barbuda under investment quota and they have two shops and a house in the UAE.

Based on the analysis it was assumed that the alleged persons might have used front companies to launder the illegally earned proceeds abroad. Moreover, they might have laundered the export earnings and cash incentives through hundi and thus got citizenship of the UAE and Antigua and Barbuda. Analysis revealed that, Mr. Xerox's main partner in all these activities was his reporting boss, Mr. Zahin who acted behind the scene and arranged permission for Mr. Xerox's frequent foreign travels.

On the other hand, discrepancy was also found in the nature of business of MM Agro Ltd and the foreign importer companies. In that case, there was ample room for doubt whether the export activities actually carried out or not, and the fact of involvement in hundi activities. Lapses on the side of Tista Bank Ltd. in performing CDD and KYC procedures for opening the bank accounts of the suspected companies were also found.

Based on the findings, BFIU disseminated the intelligence report to the respective LEA for further course of action under the purview of Money Laundering Prevention Act, 2012. Besides, Tista Bank Ltd. suspended the guilty bank officials Mr. Xerox and Mr. Zahin.



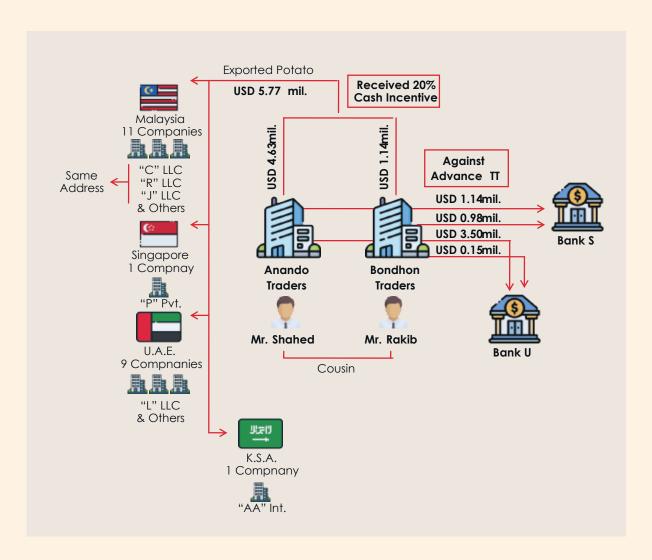
Offence	Corruption, TBML
Customer	Individual, Business Entity
Industry	Bank
Channel	Banking Channel, International Trade
Report Type	Adverse Media News and Onsite Inspection Report
Jurisdiction	Domestic and International
Designated Service	Business Account and LC
Indicators	Unusual movement of the suspects
	Business entity is non-existent

#### Case 9: Embezzlement of Government Cash Incentive against Fake Export

A report was published in a newspaper highlighting embezzlement of government cash incentives against fake export of potato by two entities, Anando Traders and Bondhon Traders. The alleged entities claimed to export approximately BDT 515 million and against which they received around BDT 103 million as cash incentives. Analysis revealed the following facts:

- All export payments were executed through advanced Telegraphic Transfers (TT) instead
  of LC. This payment method raised suspicion as it is not a common payment method for
  international trade in Bangladesh.
- Some payments were made through third-party entities (remittance houses and money changers) from a third country;
- The nature of business of the importers was entirely unrelated to exported goods. Credit reports did not contain addresses of 5 importers and beneficial owners of 19 importers. Moreover, business address of the 3 importers was same.
- A foreign FIU sought information from BFIU about one of the importers involved in this case.
- BFIU could not verify the existence of the shipping lines and agents used in the trade from open sources.
- There were allegations against one of the exporters' siblings regarding the receipt of cash incentives against fake exports. This familial connection added another layer of suspicion to the case.
- There were no evidences of recorded transaction with relevant stakeholders, such as farmers, wholesalers, cold storage, distributors etc.
- Goods were sent to 4 countries with significant Bangladeshi immigrants (probashi), who
  regularly send remittances to Bangladesh. There were suspicions that exporters might
  have been collecting remittances from Bangladeshi nationals residing in those countries
  and presenting this remittance as part of the export value to Bangladesh. Consequently,
  they received a 20% cash incentive based on this misrepresented export value.

Based on the analysis conducted by BFIU, an intelligence report was prepared and subsequently disseminated to the respective LEA for further investigation under MLPA, 2012.



Offence	Forgery, Fraud
Customer	Entity, individual
Industry	Bank
Channel	International Trade, Banking Channel, SWIFT
Report type	SAR, Adverse Media News
Jurisdiction	Domestic, International
Designated Service	Payment of advance TT, payment of cash incentive
Indicators	Third-party payment
	Nature of business of the remitter and exporter is different.
	Foreign FIU Inquiry
	Unusual transaction pattern

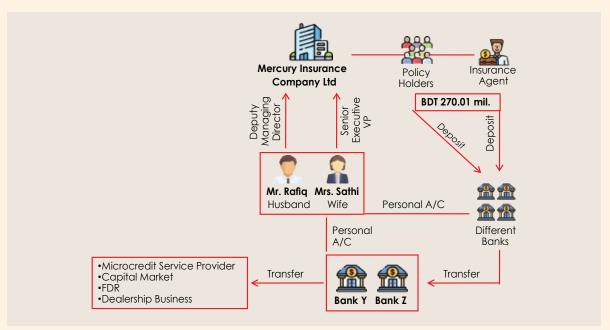
## Case 10: Fund Embezzlement by the Top Management of an Insurance Company

BFIU received several STRs from the banks regarding unusual and suspicious transactions in accounts maintained by Mr. Rafiq, Deputy Managing Director of Mercury Insurance Company Ltd. Based on the information, BFIU collected and analyzed Mr. Rafiq and his wife, Mrs. Sathi's bank account information. Mentionable that Mrs. Sathi is also an employee (Senior Executive Vice President) of the same insurance company.

Analyzing transaction statements, it was found that a total of BDT 270.01 million (BDT 155.50 million in cash mode) had been deposited to their 34 personal bank accounts during last 05 years. BFIU analysis revealed the fact that the whole amount was derived from the policy holders and insurance agent as insurance premium of that insurance company. The deposited fund was later transferred to FDR accounts (worth BDT 24.5 million), 7 (seven) BO accounts (worth BDT 64.9 million), account of a Foundation (worth BDT 21.5 million). Besides investing in capital market, NGO and FDR, Mr. Rafiq invested BDT 72.5 million in different dealership business named-Zubair Enterprise, Global Electronics, Durable Plastics, Mutex Dairy Products, Safe Travels & Home, Motton Club BD Ltd, Khadem Intimidate etc. The suspected persons later closed 12 bank accounts to hide the actual source and destination of the illicit flow of fund.

Based on the findings, it was evident that the two officials embezzled policy holders' deposits of the insurance company. Considering this, BFIU imposed freeze order to 10 (ten) bank accounts and 7 (seven) BO accounts with a total balance of BDT 98.6 million.

BFIU disseminated the intelligence report to relevant LEA for further course of action under the provision of MLPA, 2012. After primary inquiry, the LEA sought permission to freeze all the Bank and BO accounts of the suspected persons and subsequently Honorable Court made so. The case is now under investigation.



N.B. The names of the persons and entities used in the above cases are fictitious and are being used only for representation of real cases.

Offence	Corruption, Fraud
Customer	Entity, Individual
Industry	Bank, Insurance, Capital Market Intermediaries
Channel	Banking Channel
Report type/Source	STR/SAR
Jurisdiction	Domestic
Designated Service	Account Service, FDR, BO Accounts
Indicators	Suspicious transaction pattern and volume
	Deposit policy holders funds into personal accounts
	Invest policy holders fund for personal gain

## Case 11: Accumulation of Huge Property Using Forged Power of Attorney Deed by a Government Employee in Association with a Contractor

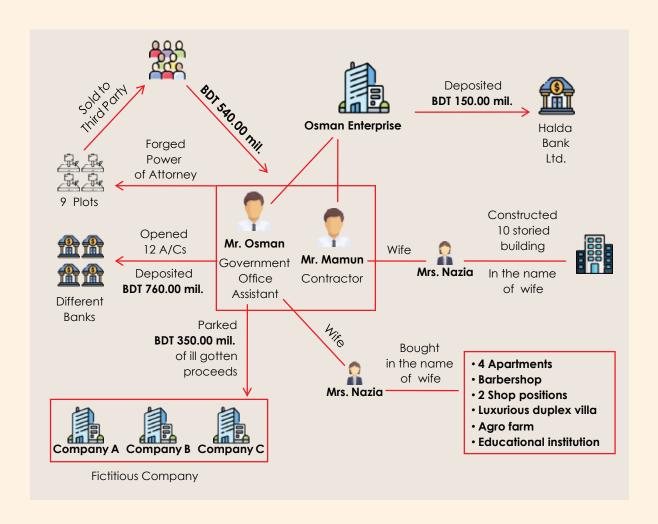
BFIU received a STR regarding a government enlisted 1st class contractor Mr. Mamun who deposited large value pay-orders and clearing cheques that did not commensurate with the volume of his business.

BFIU analysis revealed that a government employee, Mr. Osman was also involved in this case who took bribe for managing permission (NOC) for the land owners, and took commission from the land buy-sale violating staff rules. Furthermore, Mr. Osman in association with Mr. Mamun created forged power of attorney deed of 9 plots of a renowned residential government project and subsequently sold those plots to 3rd party. The sale proceeds of BDT 540.00 million then deposited into their different fictitious business and personal bank accounts. Analysis of the transaction statement of their accounts revealed following facts:

- Mr. Osman opened 12 bank accounts in 9 different banks and NBFIs and deposited a total of BDT 760.00 million of which only BDT 1.50 million was deposited as salary & allowances.
- Mr. Osman established 3 fictitious business entities ("A", "B" & "C"), which were used to
  park a total amount of BDT 350.00 million of ill-gotten proceeds through high value pay
  orders and clearing cheques. In order to hide money trail, he closed 6 bank accounts
  which were maintained in the name of his fictitious business.
- Mr. Mamun opened a bank account named 'Osman Enterprise' (used the name of Mr. Osman) at Halda Bank Ltd. where Mr. Osman was the nominee. A total of BDT 150.00 million was deposited in that account within short period of time and subsequently, was withdrawn by them. They both were the beneficial owner of the account.
- Mr. Mamun constructed a 10 storied building in his wife's name (Mrs. Nazia) with that proceeds.

- Mr. Osman bought 4 apartments, 1 barbershop, 2 shops in a shopping mall, a luxurious duplex villa, an agro farm and an educational institution. All the assets were bought in his wife's (Mrs. Lucky) name.
- Mrs. Lucky took a home loan of BDT 8.00 million from a NBFI to buy a 2000 sqf. apartment
  in Dhaka City for BDT 20.00 million. She made a down payment of BDT 15.00 million which
  was paid through pay-orders by different plot allottees. It is also revealed that Mr. Osman
  used the home loan scheme to evade tax and ultimately tried to legitimate the high value
  asset bought with the illicit fund.

Based on the findings, two separate intelligence reports were prepared and disseminated to the respective LEAs for further course of action as per MLPA, 2012. Upon initial investigation a case has already been filed against Mr. Mamun and his wife by the respective LEA. The Bank accounts of Mr. Osman and his wife have been frozen by the honorable court. They are now under the custody of the LEA.



N.B. The names of the persons and entities used in the above cases are fictitious and are being used only for representation of real cases.

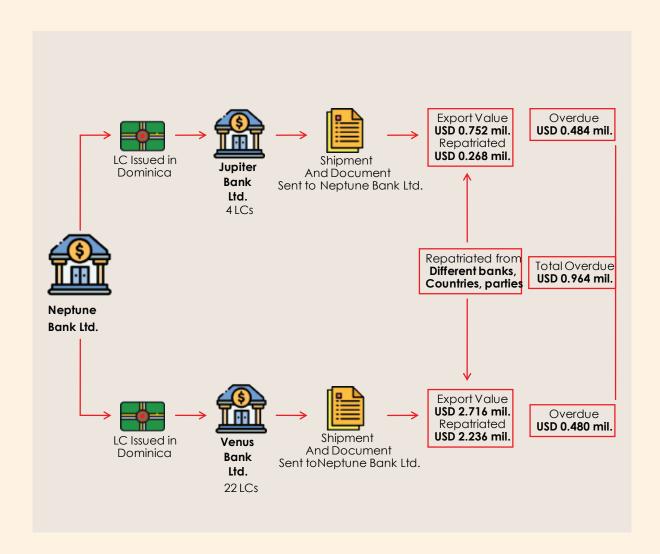
Offence	Corruption & Bribery, Forgery, Fraud
Customer	Entity, Individual
Industry	Bank, NBFI
Channel	Banking Channel,
Report type/Source	STR/SAR
Jurisdiction	Domestic
Designated Service	Account Service, Credit Service
Indicators	Transaction pattern and volume
	Fictitious business account
	Beneficial owner with risky profile

#### Case 12: Siphoned Off USD 3.47 Million Abroad Using Shell Bank

While conducting system check in Neptune Bank Ltd., BFIU came to know that the bank along with 10 other banks received 26 LCs from a shell bank in Dominica. Those LCs were advised by two local banks; Jupiter Bank Ltd. and Venus Bank Ltd. which had Relationship Management Application (RMA) with that shell bank. Analysis of BFIU revealed the following facts:

- Jupiter Bank Ltd received 4 LCs from the shell bank and advised to 4 local banks. Similarly, bank "B" received 22 LCs from the shell bank and advised to 11 local banks.
- 11 banks issued EXP against those LCs for exporting readymade garments valuing USD 3.47 million of which USD 0.97million became overdue.
- A total of USD 2.50 million repatriated from third parties whose nature of business was different from that of the exporters. The relationship between the importer and the remitter was not clear.
- Few payments against export came from third countries like-; Saudi Arabia, Slovakia, Hong Kong, Singapore etc. though the goods were exported to USA.
- No export proceeds were repatriated through LC issuing bank.
- Unit price revealed that 2 banks were engaged in under invoicing while shipment of goods to USA.
- Jupiter Bank Ltd. advised LCs of the said Dominican shell bank in even after the closure of its RMA with them.

Based on the above-mentioned findings, BFIU prepared an intelligence report and disseminated to the respective LEA for further action under MLPA, 2012.



Offence	Smuggling of Money or Property, Trade-based Money Laundering
Customer	Entity
Industry	Bank
Channel	International Trade, Banking Channel, SWIFT
Report type/Source	System Check
Jurisdiction	Domestic, International
Designated Service	Letter of Credit (LC)
Indicators	Third-party payment
	Nature of business of the remitter and exporter is different
	Overdue of export proceeds
	Establish RMA with shell banks

# List of Abbreviations

#### List of Abbreviations

ACC Anti-Corruption Commission

AACOBB Association of Anti-Money Laundering Compliance Officers of Banks in

Bangladesh

ADB Asian Development Bank

AML & CFT Anti-Money Laundering & Combating the Financing of Terrorism

APG Asia/Pacific Group on Money Laundering

ATA Anti-Terrorism Act

ATU Anti-Terrorism Unit

BB Bangladesh Bank

BDT Bangladesh Taka

BFIU Bangladesh Financial Intelligence Unit

BIBM Bangladesh Institute of Bank Management

BP Bangladesh Police

BSEC Bangladesh Securities and Exchange Commission

CAMLCO Chief Anti-Money Laundering Compliance Officer

CCC Central Compliance Committee

CCU Central Compliance Unit

CDD Customer Due Diligence

CID Criminal Investigation Department

CIID Customs Intelligence and Investigation Department

CMI Capital Market Intermediaries

CTR Cash Transaction Report

CTTC Counter Terrorism and Transnational Crime Unit

DB Detective Branch

DCAMLCO Deputy Chief Anti-Money Laundering Compliance Officer

DFS Digital Financial Services

DMP Dhaka Metropolitan Police

DNC Department of Narcotics Control

EDD Enhanced Due Diligence

e-KYC Electronic Know Your Customer

EG Egmont Group

ESCAP Economic and Social Commission for the Asia and Pacific

ESW Egmont Secure Web

FATF Financial Action Task Force

FBI Federal Bureau of Investigation

FININT Financial Intelligence

FIU Financial Intelligence Unit

FSRB FATF Style Regional Body

FX Foreign Exchange

GLO.ACT Global Action against Trafficking in Persons and the Smuggling of Migrants

HUMINT Human Intelligence

IDRA Insurance Development & Regulatory Authority

IEWG Information Exchange Working Group

IFC International Finance Corporation

IMF International Monetary Fund

ITP Independent Testing Procedure

JD Joint Director

KYC Know Your Customer

LC Letter of Credit

LEA Law Enforcement Agency

ML & TF Money Laundering & Terrorist Financing

MLA Mutual Legal Assistance

MLPA Money Laundering Prevention Act

ME Mutual Evaluation

MER Mutual Evaluation Report

MLN Million

MLPA Money Laundering Prevention Act

MoC Ministry of Commerce

MONEYVAL Committee of Experts on the Evaluation of Anti-Money Laundering Measures

and the Financing of Terrorism

MoU Memorandum of Understanding

MoF Ministry of Finance

MoFA Ministry of Foreign Affairs

MFS Mobile Financial Service

MRA Microcredit Regulatory Authority

MSCWG Membership, Support and Compliance Working Group

NBR National Board of Revenue

NBFI Non-Bank Financial Institution

NCC National Coordination Committee on AML & CFT

NGO Non-Government Organization

NGOAB NGO Affairs Bureau

NID National Identity Document

NPO Non-Profit Organization

NRA National Risk Assessment

OSINT Open Source Intelligence

PBI Police Bureau of Investigation

PF Proliferation Finance

PPWG Policy and Procedures Working Group

PSD Payment Systems Department

RBA Risk-Based Approach

RBI Reserve Bank of India

RJSC Registrar of Joint Stock Companies and Firms

RO Reporting Organization

SAR Suspicious Activity Report

SEBI Securities and Exchange Board of India

SB Special Branch

SDG Sustainable Development Goal

SOM Smuggling of Migrants

StAR Stolen Asset Recovery

STR Suspicious Transaction Report

TATWG Technical Assistance and Training Working Group

TBML Trade Based Money Laundering

TC Technical Compliance

TIP Trafficking in Persons

TP Transaction Profile

UBID Unique Business ID

UIDAI Unique Identification Authority of India

UNCAC United Nations Convention against Corruption

UNCTAD United Nations Conference on Trade and Development

UNODC United Nations Office on Drugs and Crime

UNODC-ROSA Regional Office for South Asia of the United Nations Office on Drugs

and Crimes

UNSCR United Nations Security Council Resolutions

USD United States Dollar

USDOJ US Department of Justice

WC Working Committee on AML & CFT

WCO World Customs Organization

WMD Weapons of Mass Destruction

Lodge Money Laundering/Terrorist Financing/Proliferation Financing related complaint using the complaint box at the BFIU website (www.bfiu.org.bd) or send directly to the following address:

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