Annual Report 2024-25

Bangladesh Financial Intelligence Unit

EDITORIAL TEAM

Website: www.bfiu.org.bd

Message from the Governor

Achieving sustainable and stable economic growth requires meticulous navigation of macroeconomic challenges through sound policies, strong institutions and a well-coordinated set of targeted actions. Complementing this, effectively deterring money laundering and terrorist financing and safeguarding the financial sector from criminal activities is also a key priority.

Structural reforms in the financial sector are being complemented by different initiatives to deepen financial inclusion, modernize payment systems and strengthen digital financial infrastructure. The continued expansion of the digital economy and fintech ecosystem has further accelerated formal financial participation, serving as a key driver of financial inclusion.

With the continued advancement of the financial sector, Bangladesh remains committed to safeguarding the integrity of the financial system against money laundering, terrorist financing and other illicit financial activities. Bangladesh Financial Intelligence Unit (BFIU) has been at the forefront of these efforts, aligning with international standards and adopting a risk-based, intelligence-driven approach.

Significant progress has been achieved in tracing illicit assets that were transferred abroad. Joint Investigation Teams (JITs) under the guidance of the Stolen Asset Recovery Task Force are carrying out investigations to repatriate stolen assets and prevent such practices in the future. Bangladesh Bank, with the secretariat support of BFIU, facilitates operational logistics for these efforts. Enhanced collaboration with domestic and international agencies has significantly strengthened asset recovery mechanisms and reinforced Bangladesh's commitment to ensuring that illicit financial activities will not be tolerated.

The BFIU Annual Report 2024–2025 incorporates these collective achievements and highlights the key activities and initiatives undertaken over the past year. I extend my sincere gratitude to BFIU for their dedication, professionalism and continued commitment in reinforcing their vision and mission toward establishing a strong AML/CFT regime in Bangladesh.

I also extend my sincere gratitude to all stakeholders, including government institutions, financial institutions and international partners, for their support and collaboration to this end.

As we move forward, let us reaffirm our shared vision for a resilient, transparent and innovative financial system that will support the sustainable economic growth of Bangladesh.

মো. মোস্তাকুর রহমান

Md Mostaqur Rahman
Governor, Bangladesh Bank

Foreword

The Annual Report of the Bangladesh Financial Intelligence Unit (BFIU) for the fiscal year 2024–2025 presents an account of the Unit's operational performance, analytical outputs, and institutional developments during the reporting period, as well as the evolving risk environment where Bangladesh's AML/CFT regime continues to operate.

During the year under review, the volume of Suspicious Transaction and Activity Reports increased significantly, reflecting heightened awareness and vigilance among reporting entities. These disclosures were subjected to systematic analysis and professional scrutiny, leading to the dissemination of a substantial number of intelligence reports to relevant law enforcement agencies and other competent authorities. Such efforts contributed to investigative actions, interagency cooperation, and informed policy responses at both national and international levels.

BFIU also remained actively engaged in Government initiatives aimed at tracing, restraining, and recovering assets that are illicitly transferred abroad. In fulfilling its secretarial responsibilities for the Task Force on Stolen Asset Recovery and Management, the Unit supported effective coordination among concerned agencies. Engagement with Joint Investigation Teams (JITs) was further strengthened through analytical support, intelligence sharing, and cooperation with foreign financial intelligence units and international partners, reinforcing Bangladesh's commitment to pursuing proceeds of crime across jurisdictions.

As BFIU moves into the next phase of its institutional journey, emphasis is being placed on a leadership approach grounded in responsibility, service, and institutional discipline. The guiding principle for the period ahead is clear: leadership within BFIU must assume responsibility at the earliest point and place institutional interest above individual consideration. This ethos—often expressed as leadership bearing the burden first and exercising restraint in privilege—will shape organizational culture, decision-making, and accountability going forward.

At the same time, the financial crime landscape is undergoing rapid transformation. Emerging risks associated with online betting platforms, informal value transfer systems such as hundi/hawala, and the misuse of virtual assets continue to challenge traditional supervisory and analytical models. Addressing these risks will require strengthened risk-based supervision, enhanced analytical capability, and continued investment in technology and human capital.

Looking ahead, preparation for Bangladesh's Fourth Round Mutual Evaluation under the global AML/CFT framework remains a national priority. The forthcoming assessment will evaluate both technical compliance and effectiveness, reflecting the country's commitment to transparency, good governance, and international cooperation. BFIU will continue to work closely with relevant ministries, regulators, financial institutions, and reporting organizations to support coordinated and comprehensive preparedness.

The key achievements, operational milestones, analytical insights, and selected case experiences from the reporting period are documented in this annual report. It reflects the collective efforts of BFIU personnel and the sustained cooperation of domestic and international stakeholders.

As Bangladesh strengthens its financial integrity framework, BFIU remains committed to ensuring that illicit financial flows find no refuge—whether through conventional mechanisms or emerging technologies. Guided by the principles of responsibility, service, and accountability, the Unit will continue to advance its mandate in support of national and international AML/CFT objectives.

Iqtiaruddin Md. Mamun PhD, FCMA
Head of BFIU

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BFIU in 2024-25

Receipt of STRs/SARs & CTRs

30,199 STRs/SAR[1]s from ROs and other sources

1329 information exchange requests from LEAs and other sources

31,254,426 CTRs from Banks & NBFIs

International Cooperation

36 requests received from the FIU of different countries/jurisdictions

174 requests made to the FIU of different countries/jurisdictions

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Intelligence Sharing with the LEAs and Other Relevant Agencies

199 intelligence reports

1314 information exchange

Monitoring and Supervision of ROs

156 system checks

56 special inspections

Capacity Building Initiatives for ROs and Stakeholders

8 lead bank training programs

BFIU provided 330 resource persons in training programs

Participation of BFIU Officials

159 training programs, workshops, seminars, etc.

Mutual Evaluation of Bangladesh

Technical Compliance	Effectiveness
8 Compliant	3 Substantial
27 Largely Compliant	4 Moderate
5 Partially Compliant	4 Low

Basel AML Index of Bangladesh

Year	Score (0-10: Scale) 10 equals maximum risk	Ranking (out of 177 countries) 177 equals best ranking
2024	5.62	59
2025	5.62	65

[1] Number of STRs/SARs includes STRs or SARs received from ROs and Complaints received from individuals or other sources.

01

BFIU at a Glance

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BFIU at a Glance

Background

In accordance with the relevant provisions of the Money Laundering Prevention Act 2012 (amended 2015), the Anti-Terrorism Act, 2009, the Anti Terrorism (Amendment) Act 2013, and the related rules, the Bangladesh Financial Intelligence Unit (BFIU) serves as the national agency responsible for leading Bangladesh's efforts to combat money laundering (ML), terrorist financing (TF), and the financing of the proliferation of weapons of mass destruction (PF).In pursuit of its vision to establish a robust financial system in Bangladesh that effectively deters ML, TF, PF, and other related offenses, BFIU works closely with all relevant national and international stakeholders. Since 1997, Bangladesh, as a founding member, has been participating in the annual plenary meetings of the Asia/Pacific Group on Money Laundering (APG), a FATF-style regional body responsible for promoting and assessing member jurisdictions' compliance with the FATF Standards on anti-money laundering (AML) and countering the financing of terrorism (CFT) in the Asia-Pacific region. Furthermore, Bangladesh served as a rotating co-chair of the APG from 2018 to 2020, with the Head of BFIU representing the Government of Bangladesh in this capacity. BFIU has also represented Bangladesh in APG's highest policy-making body, the Steering Committee/Governance Committee, several times as the representative of South Asian countries.

As a member of APG, Bangladesh is committed to implementing FATF recommendations. To effectively combat ML, TF, and PF and achieve optimal results, BFIU makes concerted efforts to fulfill its responsibilities as the National Analysis Center by receiving, analyzing, and disseminating financial intelligence. Additionally, BFIU serves as a regulator and supervisor, as mandated by the acts and relevant rules. The journey of BFIU began with the establishment of the Anti-Money Laundering Department at Bangladesh Bank in 2002. This department was later transformed into BFIU on January 25, 2012, under the provisions of the Money Laundering Prevention Act of 2012. Following an amendment to the Money Laundering Prevention Act in 2015, BFIU achieved full operational independence.

In fulfilling its mission, BFIU cooperates with and receives assistance from a range of members, jurisdictions, agencies, donors, and providers. For effective analysis and as part of international cooperation, BFIU became a member of the Egmont Group in July 2013 and has signed memorandums of understanding (MOUs) with 81 financial intelligence units (FIUs) as of June 2025.

Vision of BFIU

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

Domestically, Bangladesh has established a strong legal and institutional framework to ensure an effective AML & CFT regime. The National Coordination Committee (NCC), chaired by the finance minister, serves as the highest forum for the formulation and implementation of AML & CFT policies in line with international standards. There is also a Working Committee responsible for executing and implementing decisions made by the NCC, and a United Nations Security Council Resolutions (UNSCRs) implementation committee, which ensures the enforcement of UNSCRs. BFIU plays a crucial role in all these committees.

Considering this, BFIU's activities include analyzing Suspicious Transaction/Activity Reports (STR/SARs), Cash Transaction Reports (CTRs), and information related to ML, TF, and PF received from reporting agencies and other sources. BFIU then disseminates intelligence to the relevant law enforcement and investigative agencies, exchanges information on money laundering and terrorist financing with foreign counterparts and participates in various domestic and international AML & CFT initiatives. This Annual Report, like its predecessors, presents the activities and initiatives undertaken during 2024-2025.

Mission of BFIU

Putting in place effective legal, administrative and judicial arrangements for the 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 public 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 the detection 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 the latest technologies and develop IT infrastructure and software to ensure a 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 the international level;
- To identify and address emerging threats, methods and techniques of money laundering, terrorist financing & proliferation financing of weapons of mass destruction; 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 complaints regarding ML &TF from different sources.
- Analyze the STRs/SARs received 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.
- Issue 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 with 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 duties for UN bodies, the National Coordination Committee (NCC) and the Working Committee (WC) on AML & CFT and take necessary steps to implement the decisions taken by the committees.
- Work as the secretariat of the 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 meetings with the Anti-Corruption Commission (ACC), the Bangladesh Police (BP) and other relevant agencies and monitor the implementation of the decisions of the meeting.
- Arrange regular meetings 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

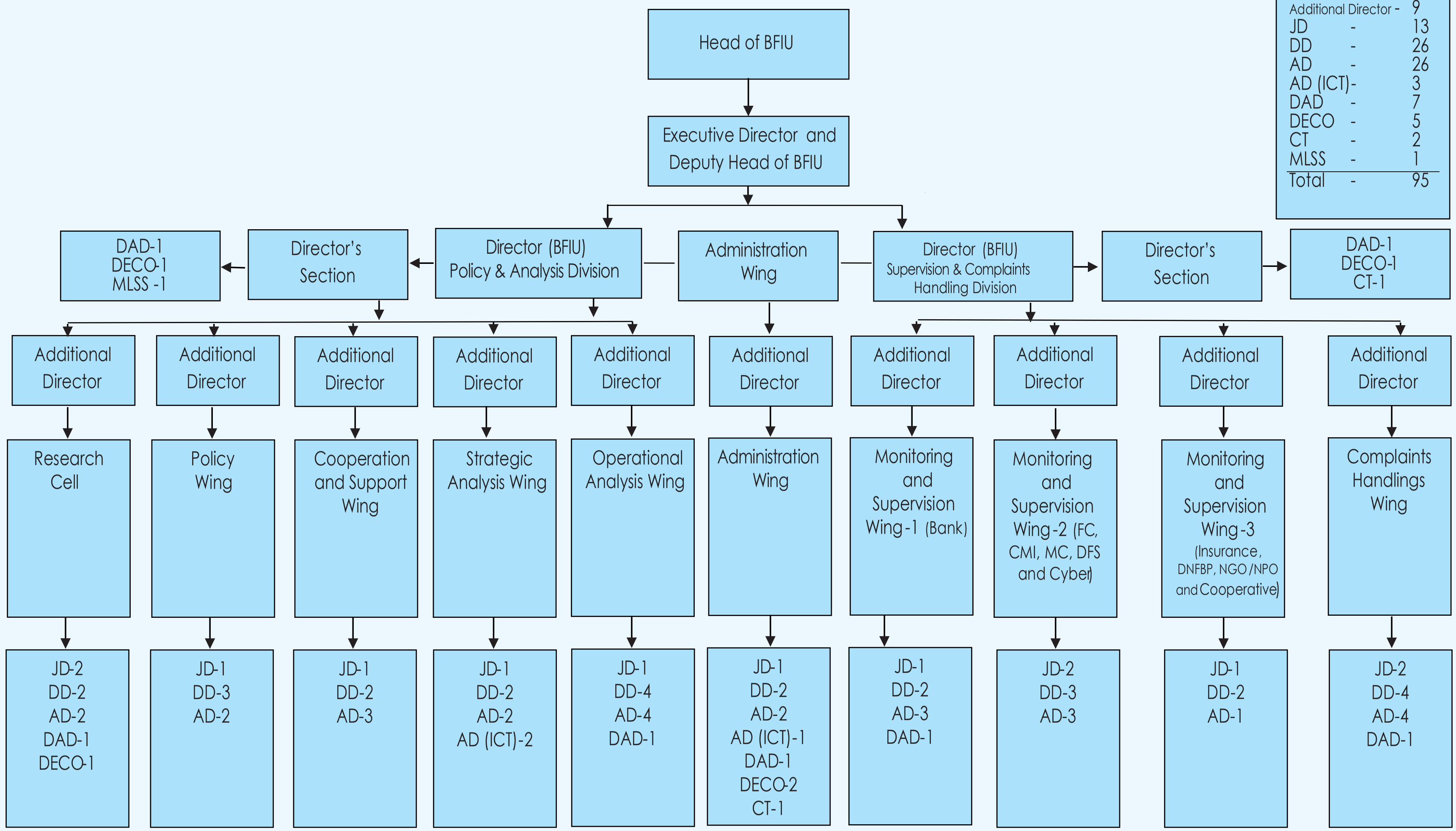
BFIU works under the provisions of

Money Laundering Prevention Act, 2012 (Amended 2015)	Money Laundering Prevention Rules, 2019
Anti-Terrorism Act, 2009 (Amended 2013)	Anti-Terrorism Rules, 2013

Organogram of BFIU

Summary of Sanctioned Strength

ED	-	1
Director	-	2
Additional Director	-	9
JD	-	13
DD	-	26
AD	-	26
AD (ICT)	-	3
DAD	-	7
DECO	-	5
CT	-	2
MLSS	-	1
Total	-	95



ED- Executive Director
JD- Joint Director
DD- Deputy Director

AD- Assistant Director
AD (ICT) - Assistant Director (ICT)
DAD- Deputy Assistant Director
DECO- Data Entry Control Operator

CT- Care Taker
MLSS-Member of the Lower Subordinate Staff

Reporting Organizations of BFIU

2012

- Cooperative Societies
- Real Estate Developers
- Dealers in Precious Metals or Stones
- Trust and Company Service Providers
- Lawyers, Notaries, Other Legal Professionals and Accountants

2010

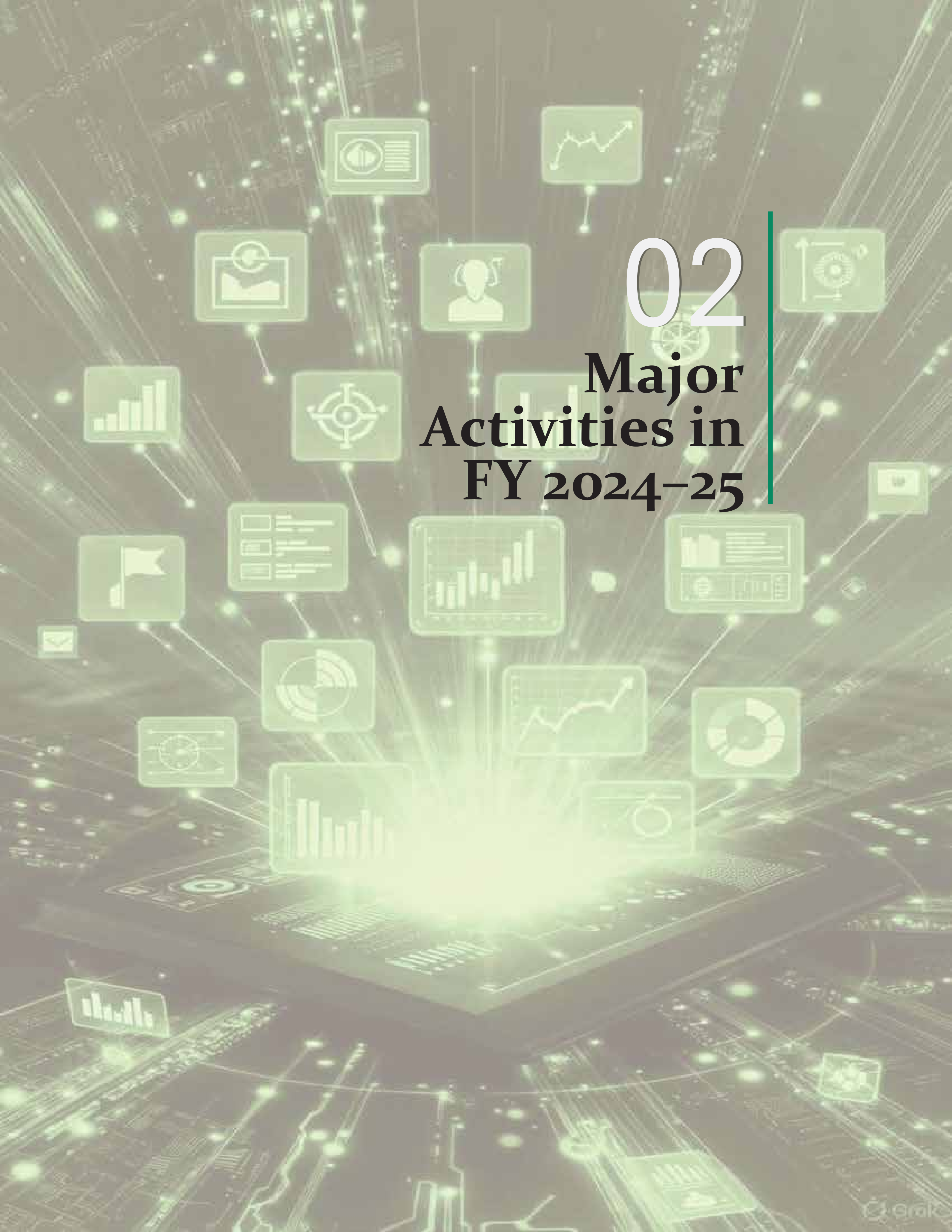
- Stock Dealers and Stockbrokers
- Portfolio Managers and Merchant Bankers
- Securities Custodians
- Asset Managers
- Non-Profit Organizations
- Non-Government Organizations

2008

- Insurers
- Money Changers
- Any company or institution that remits or transfers money or money value
- Any other institution carrying on its business with the approval of Bangladesh Bank

2002

- Banks
- Financial Institutions



02

Major Activities in FY 2024–25

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Major Activities in 2024-25

As the nation's financial intelligence and supervisory body, BFIU plays a pivotal role in safeguarding the integrity, stability, and transparency of the financial system. In this capacity, it exercises comprehensive regulatory and supervisory responsibilities to identify, assess, and mitigate emerging financial crime risks.

To ensure full alignment with international AML/CFT standards, BFIU continuously reviews and updates its policies, guidelines, and directives that provide Reporting Organizations (ROs) clear, actionable instructions to build robust compliance frameworks.

BFIU also acts as a national coordinator in the fight against financial crimes, fostering close collaboration with domestic regulators, law enforcement agencies, and international counterparts. Recognizing that awareness and expertise are the keys to effective prevention, it prioritizes capacity building, training, and outreach initiatives for ROs, investigative authorities, and other key stakeholders.

Guided by its commitment to protecting Bangladesh's financial ecosystem, BFIU remains steadfast in identifying and addressing ML/TF/PF threats. Through proactive supervision, strategic partnerships, and continuous innovation, the Unit strives to uphold the nation's financial integrity and support sustainable economic growth.The following sections outline the key activities and achievements of BFIU during the FY 2024-25:

From 2023-24

74% increase in SAR

80% increase in STR

BFIU received 1,329 requests for information from different LEAs

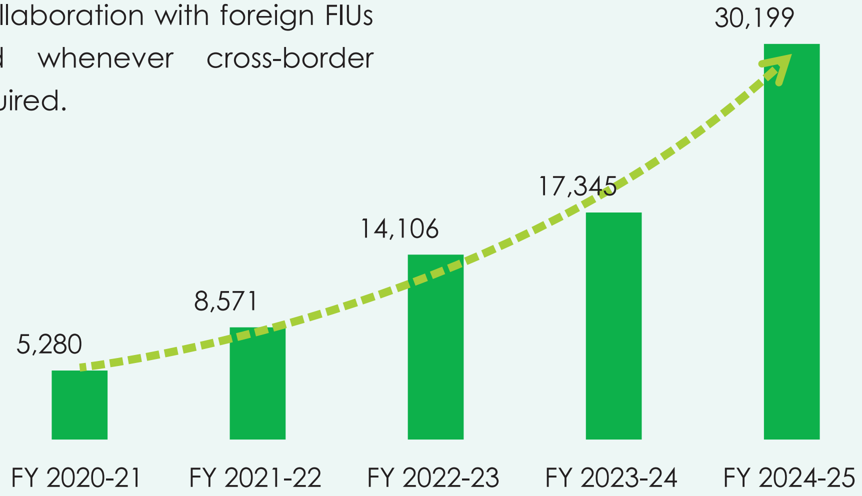
2.1 Intelligence Management

A key responsibility of BFIU is to receive and process various reports from ROs including Suspicious Transaction Reports (STRs), Suspicious Activity Reports (SARs), and Cash Transaction Reports (CTRs). In addition to these formal submissions, BFIU also encourages individuals, institutions, and organizations to submit complaints or share relevant information related to ML, TF, and PF activities.

BFIU places high value on intelligence shared by regulatory and supervisory bodies, law enforcement agencies (LEAs), and other intelligence institutions. Furthermore, information exchanged with foreign Financial Intelligence Units (FIUs) and international partners significantly enhances the Unit's analytical and intelligence capabilities.

Upon receipt of reports or intelligence, BFIU conducts a comprehensive analysis that integrates both tactical and strategic approaches. This process leverages data from multiple sources, including BFIU's internal databases, the Credit Information Bureau (CIB), Bangladesh Bank's dashboards (export-import and remittance data), the National Identity (NID) database, and the World-Check platform. When necessary, BFIU also seeks additional information from ROs, regulatory bodies, and other government agencies such as the Department of Immigration and Passports (DIP), Bangladesh Police (BP), Registrar of Joint Stock Companies and Firms (RJSC), and other relevant LEAs. Collaboration with foreign FIUs is also pursued whenever cross-border information is required.

Following detailed analysis, if indicators of money laundering or terrorist financing are identified, BFIU prepares and disseminates a financial intelligence report to the relevant law enforcement agency (LEA) for investigation and legal action.



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

2.1.1 Suspicious Transaction Report (STR) and Suspicious Activity Report (SAR)

In accordance with Section 25(1)(d) of the Money Laundering Prevention Act 2012(Amended 2015) and Section 16(1) of the Anti-Terrorism Act, 2009, ROs are legally obligated to submit STRs and SARs. Whenever any irregularity or anomaly is identified, ROs must proactively file STRs or SARs without delay.

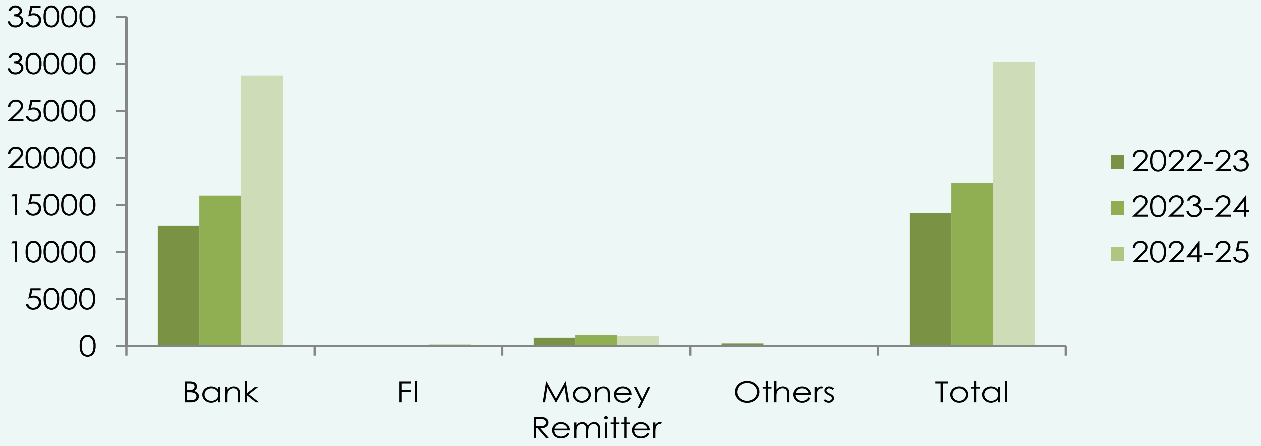
During the fiscal year 2024–2025, BFIU received a total of **30,199 suspicious reports,** comprising **20,524 STRs** and **9,675 SARs.**

The bar chart presented above illustrates an exponential growth in STRs and SARs received by BFIU over the five-year period from FY 2020-21 to FY 2024-25. Most notably, the latest fiscal year (FY 2024-25) witnessed an unprecedented surge with 30,199 reports—a dramatic 74% increase from the previous year's 17,345 reports and almost six times the 5,280 reports received in FY 2020-21. This sharp acceleration suggests several converging factors: enhanced regulatory enforcement and compliance obligations imposed by BFIU on reporting entities, improved technological capabilities for transaction monitoring and pattern detection, increased awareness among financial institutions of ML and TF risks, and a rise in suspicious financial activities—such as online gambling/betting, FX and crypto trading, and digital hundi—that require heightened scrutiny.

The sector-wise analysis of STR and SAR submissions demonstrates the dominance of the banking sector in Bangladesh's financial intelligence reporting ecosystem, accounting for over 90% of all reports across the three fiscal years examined (91% in FY 2022–23, 92% in FY 2023–24, and 95% in FY 2024–25).

In FY 2024-25, banks submitted 28,755 reports—representing a substantial 80% increase from the previous year's 15,991 reports and more than double the 12,809 reports filed in FY 2022-23, underscoring intensified regulatory scrutiny and enhanced transaction monitoring systems within the banking sector. While Financial Institutions (FIs) and Money Remitters submitted higher numbers of STRs and SARs in absolute terms—with FIs doubling from 121 to 250 reports and Money Remitters increasing from 900 to 1,095 reports over the three-year period—their proportional contribution remained marginal, at approximately 1% and 4%, respectively, in FY 2024–25.

Graph-2: Sector-wise Trends of STR & SAR (logarithmic Scale)



2.1.2 Information Exchange

LEAs, intelligence agencies, and other relevant stakeholders submit formal requests to BFIU for financial intelligence, and BFIU disseminates the requested information accordingly. An upward trend was observed in requests received and information disseminated, as total requests to BFIU increased from 1,157 in FY 2023–24 to 1,329 in FY 2024–25, representing an increase of approximately 15%. Notably, the CID of Bangladesh Police and Anti-Corruption Commission (ACC) emerged as the most prominent requesting agencies.

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

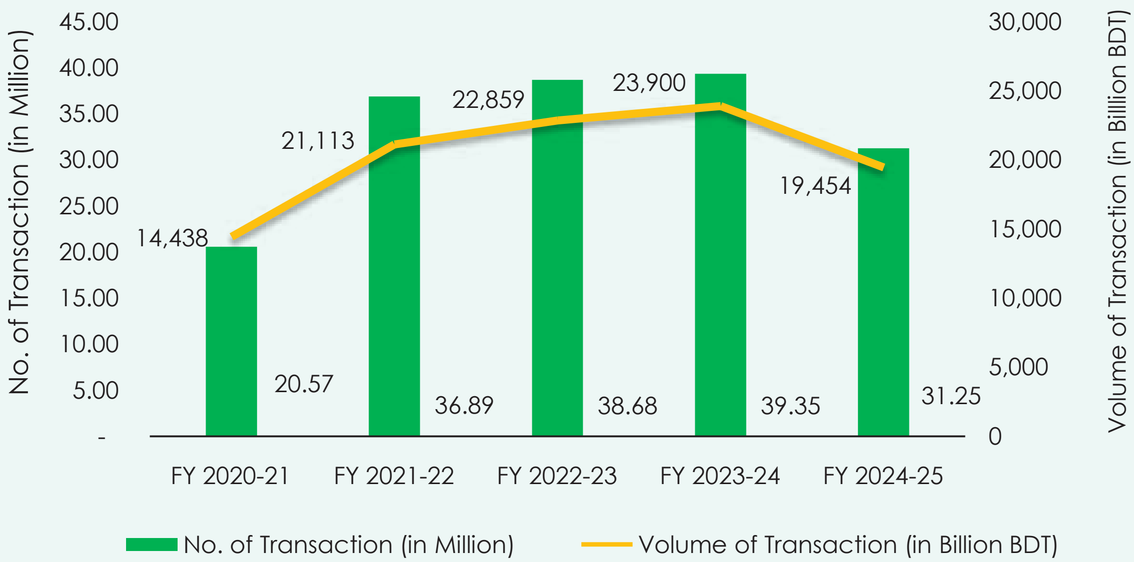
Requesting Agencies		FY 2022-23		FY 2023-24		FY 2024-25	
		Received	Disseminated	Received	Disseminated	Received	Disseminated
ACC		64	64	84	82	363	360
BD Police	CID	540	540	405	466	426	420
	SB, RAB, ATU, CTTC, Other Units	140	140	275	268	190	187
BB		23	23	31	31	30	30
NBR		95	95	82	82	74	74
Others (Intelligence Agencies, Ministries, etc.)		213	209	280	291	246	243
Total		1,075	1,071	1,157	1,220	1,329	1,314

2.1.3 Cash Transaction Report (CTR)

Under Section 23(1)(a) of the MLPA 2012 (amended 2015), BFIU is authorized to obtain and analyze CTRs from reporting organizations. Cash deposits or withdrawals of BDT 1.00 million or more (or the foreign currency equivalent), whether conducted through single or multiple transactions within the same account on a single day, are reportable as CTRs. Banks and finance companies submit CTRs via the goAML platform by the 21st day of the following month, and the information is used for operational analysis, strategic assessment, and risk-based supervision.

Banks and FCs reported 31.25 million cash transactions valued at BDT 19,452 billion and 1,484 transactions valued at BDT 2.17 billion, respectively, with the year-on-year decline in CTRs reflecting Bangladesh Bank's push toward a cashless and digitally enabled financial ecovsystem.

Graph-3: Yearly Receipt of Cash Transactions in CTR



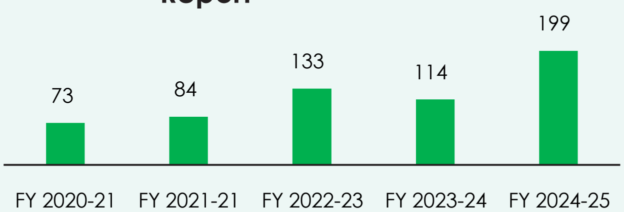
2.2 Dissemination of Intelligence

BFIU has maintained a team of dedicated expert analysts responsible for analyzing STRs/SARs and CTRs. A set of predefined and regularly updated indicators is used to prioritize the review of each STR and SAR. Once priorities are established, analysts are assigned to conduct an in-depth analysis of the respective cases. Based on their findings, the analysts prepare comprehensive intelligence reports. If an analysis reveals potential links to ML, the case is promptly disseminated to the relevant LEAs. These agencies undertake further investigation and appropriate follow-up actions according to the law. Conversely, if a case indicates possible involvement in terrorism, TF, or PF, it is immediately referred to the BP for specialized review and necessary action.

2.2.1 Dissemination of Intelligence based on STR, SAR and Other Sources

Intelligence reports are produced through the analysis of STRs, SARs and other relevant information. The scope and scale of these reports can vary considerably. In some cases, a single STR or SAR may form the basis of a detailed intelligence report, while in other cases, the analysis of hundreds of such reports may be required to develop one comprehensive intelligence document. During FY 2024–25, the BFIU disseminated a total of 199 intelligence reports generated from the analysis of STRs, SARs and other related information.

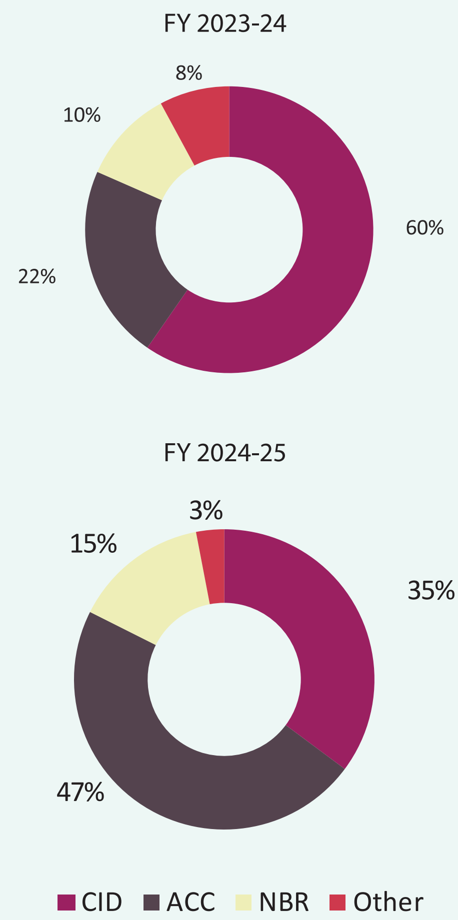
Graph-4: Dissemination of Intelligence Report



Graph-4 presents the volume of financial intelligence reports disseminated by BFIU over the five years from FY 2020–21 to FY 2024–25. The number of disseminations increased steadily over the period, reaching 199 in FY 2024–25, which represents a 173% increase compared to FY 2020–21. This upward trend reflects increased analytical output and expanded information-sharing with competent authorities.

On the other hand, agency-wise dissemination statistics (graph-5) of 2024-25 highlight that ACC topped the list as the recipient of intelligence reports, followed by CID of Bangladesh Police —collectively accounting for over four-fifths of all reports distributed. The remaining agencies received considerably smaller allocations, highlighting the predominant role of these primary investigative bodies in financial intelligence operations.

Graph-5: Agency-wise Dissemination of Intelligence Report



Additionally, the top predicate offenses featured in these reports (graph-6) encompass corruption and bribery, fraud, tax offence, currency smuggling among others. These findings broadly align with the risk profile as assessed in the 2nd National Risk Assessment (NRA) on ML & TF conducted in 2015.

2.3 Monitoring and Supervision

Section 23(1)(e) of the MLPA 2012 (amended 2015), section 15(1)(c) and 15(1)(e) of the ATA (Amendment), 2013 have empowered BFIU to supervise the activities of the ROs and carry out on-site inspections on them. For greater efficiency and effectiveness, the Monitoring and Supervision function of BFIU has been structured into the following sub-wings:

Monitoring and Supervision Wing-1

- Bank Monitoring

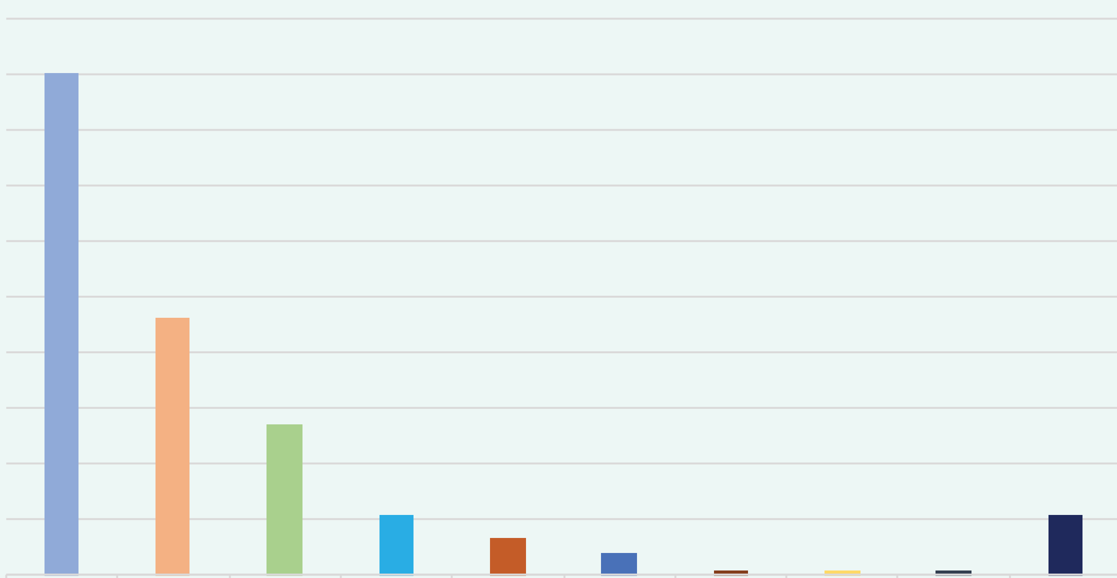
Monitoring and Supervision Wing-2

- Finance Companies Monitoring
- Capital Market Intermediaries Monitoring
- Digital Financial Services and Cyber Monitoring
- Money Changers & Money Remitter Monitoring

Monitoring and Supervision Wing-3

- Insurance Monitoring
- NGO/NPO Monitoring
- DNFBPs Monitoring
- Co-operatives Monitoring

Graph-6 : Predicate Offence Wise Intelligence Report Dissemination Based on STR, SAR & Other Sources In Fy 2024-25



	Corruption & Bribery	Fraud & Forgery	Tax-related Offences	Smuggling of Currency	Organized Crime	Extortion	Human Trafficking	Terrorist Financing	Insider Trading	Others
2024-2025	90	46	27	11	7	4	1	1	1	11

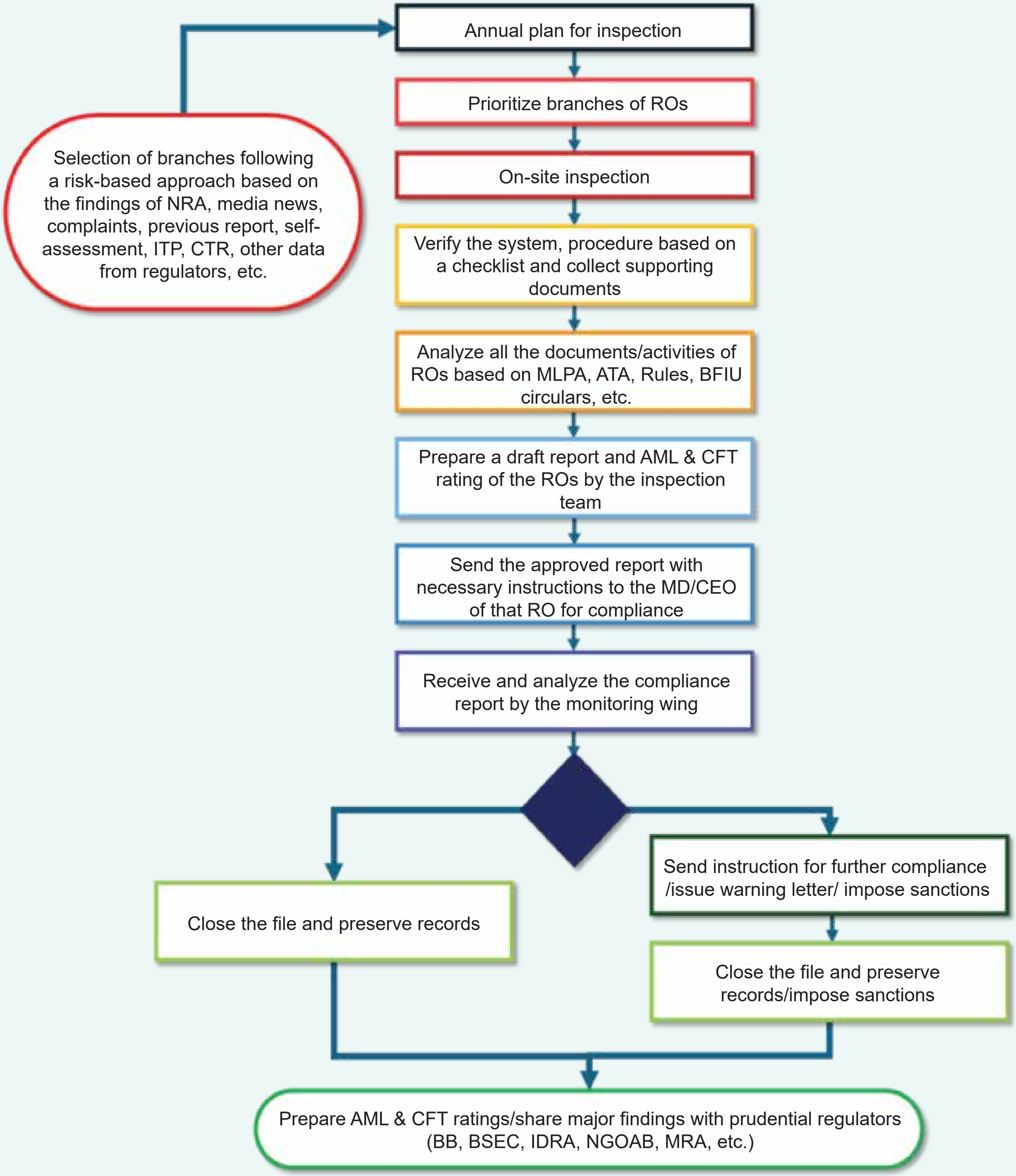
BFIU has adopted an RBA to supervise the ROs, in line with FATF Recommendation 1 and the provision of Rule 10 of MLPR, 2019. Following the RBS model, the supervisory activities of BFIU are focused on the sectors and entities that are most vulnerable to ML, TF & PF and are at high risk of regulatory non-compliance. Furthermore, while implementing RBA, BFIU has taken several 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 risks of a particular sector or entity.

For implementing RBS, BFIU has issued guidelines. Based on that guideline, BFIU has developed data capturing template for each reporting sector and formulated a mechanism for the supervision plan. In developing a supervision plan, BFIU uses the outcome of NRA, sector-specific Risk Assessment and enterprise-level Risk Assessment in addition to other micro-level information. 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 creates 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 investigate 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



2.3.1 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 policy decisions, including those related to on-site supervision and risk-based oversight. 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 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 authorities and obtained from open sources.
- Assessing compliance questionnaires, documents prepared by the ROs, etc.

2.3.1.1 Off-site Supervision of Banks

As per instruction of BFIU, each branch of the banks is to prepare a Self-Assessment Report based on a predefined checklist twice a year and submit the same to the IAD and the AML & CFT Division or Department of its Head Office. The IAD has to analyze those reports and arrange for branch inspection, if necessary, informing the AML & CFT Division or Department of the bank. 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 ITP and award rating based on their findings. In addition to that, the Internal Audit Department conducts a separate AML & CFT inspection of at least 10% of branches according to their annual plan.

The IAD must send the report of those inspections based on ITP, called the ITP report, to the AML & CFT Division or Department. Then the Central Compliance Committee (CCC) must 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 Directors and Management Committee) for their opinion and necessary direction. Furthermore, the banks are required to submit a summary of the two reports, the Self-Assessment Report and ITP, to BFIU on half yearly basis.

All the off-site supervision reports submitted by banks are consulted by BFIU while developing annual on-site inspection plan based on RBS Guideline/Manual.

2.3.1.2 Off-site Supervision of FCs and other ROs

FCs and other ROs, such as Insurance Companies and Capital Market Intermediaries, submit the summary of Self-Assessment Reports and Independent Testing Procedure (ITP) report on half yearly basis to BFIU following the similar procedures of the banks.

2.3.2 On-site Supervision

In addition to the NRA, BFIU develops an annual on-site inspection plan in accordance with its Risk-Based Supervision Manual, the enterprise-level risk assessment reports of ROs and BFIU's internal evaluations. These assessments consider previous inspection findings, self-assessment reports and the outcomes of independent testing procedures. ROs categorized as "High Risk" are subject to more frequent on-site supervision. The findings of BFIU inspections, along with the corresponding AML and CFT risk ratings, are shared with the relevant regulatory authorities for their review and necessary follow-up actions. BFIU conducts two distinct types of on-site supervision: system checks and special inspections.

2.3.2.1 System Check

AML and CFT system check is conducted on a six-month cycle to assess the level of compliance of ROs with the provisions of MLPA 2012 (amended 2015), the ATA,2009, the ATA (Amendment), 2013 and BFIU circulars and guidelines. These inspections also evaluate the adequacy and effectiveness of the AML & CFT risk management framework implemented by the ROs.

The system check primarily focuses on assessing the following areas:

- Comprehensiveness of AML & CFT policies and procedures, including senior management's commitment
- Competency and effectiveness of the designated Compliance Officer
- KYC and CDD processes and protocols
- Transaction monitoring mechanisms
- Submission and analysis of CTR
- Identification and submission of STR
- Reporting procedures from branches to the AML & CFT Division or Central Compliance Unit (CCU)
- Implementation of self-assessment procedures
- Employee knowledge and awareness regarding AML & CFT obligations
- Record-keeping practices
- Compliance with recommendations from previous audit or inspection reports

Based on the findings of the system check, both the head office and branch offices of ROs are assigned a rating—Unsatisfactory, Marginal, Fair, Satisfactory, or Strong. The inspection report is then shared with the respective RO for corrective action and to ensure compliance with the identified gaps.

2.3.2.1.1 System Check of Banks

BFIU has dedicated inspection teams responsible for assessing banks to strengthen and promote robust AML and CFT frameworks across the country. In the fiscal year 2024–2025, BFIU conducted a total of 93 comprehensive system checks on banks, including 10 inspections at head offices and 83 at branch offices.

Table-2: System Check of Banks

Bank	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Head Offices	23	29	12	12	10
Branches	29	37	39	16	83
Total	**52**	**66**	**51**	**26**	**93**

2.3.2.1.2 System Check of FCs

In the 2024-25 fiscal year, BFIU conducted system checks on six head offices and six branches of FCs.

Table-3: System Check of FCs

FC	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Head Offices	3	8	14	6	6
Branches	1	12	11	6	6
Total	**4**	**20**	**25**	**12**	**12**

2.3.2.1.3 System Check of Insurance Companies

BFIU collaborates with the IDRA, the prudential regulator of insurance companies in Bangladesh, to oversee and supervise AML and CFT initiatives within the insurance sector. Recognizing insurance as a low-risk sector, BFIU conducted system checks on 10 life and non-life insurance firms during the 2024-25 fiscal year. All system checks were conducted within Dhaka city.

2.3.2.1.4 System Check of Digital Financial Services (DFS)

In recent years, the Digital Financial Services (DFS) landscape in Bangladesh has seen significant, multifaceted growth. With the increasing adoption of these services, there has also been a rise in the risk of exploitation by money launderers and terrorist financiers. In response to this growing challenge, during the 2024-25 fiscal year, the BFIU conducted a total of 06 system checks at the head offices of DFS providers. All these system checks were carried out in Dhaka.

2.3.2.1.5 System Check of NGO/NPO

BFIU conducted 20 system checks on NGOs and NPOs. Among these, 12 system checks were performed at the head offices, while 08 were conducted at branch offices. These inspections were conducted to monitor NGO/NPO operations and ensure compliance with AML and CFT regulations.

2.3.2.1.6 System Check of Capital Market

BFIU conducted 09 system checks on the Capital Market Intermediaries. Among these, 04 system checks were performed at the head offices, while 05 were conducted at branch offices.

2.3.2.1.7 System Check of DNFBPs

In the 2024-25 fiscal year, BFIU conducted 04 system checks on the Bangladesh Jewelers' Association (BAJUS) and 01 system check on the Real Estate & Housing Association of Bangladesh (REHAB).

2.3.2.1.8 System Check of Co-operative

To strengthen AML and CFT compliance within the cooperative sector, BFIU conducted 02 system checks at cooperative head offices in Dhaka and Barishal. These inspections aimed to oversee cooperative activities and verify adherence to AML and CFT regulations.

2.3.2.2 Special Inspection

In addition to regular system checks, BFIU conducts special inspections on ROs if specific concerns arise, such as:

- Repeatedly receiving low ratings in system checks
- Detection of non-compliance issues during system checks
- Adverse media reports

Special inspections are also conducted to assess ROs' compliance with STRs and SARs submissions. Additionally, they verify whether banks and FCs are correctly submitting CTRs. The selection of branches for these inspections is based on factors such as transaction volume, operational importance, location, and risk level. During the 2024-25 fiscal year, BFIU conducted 56 special inspections in banks for further analysis of STRs, SARs, complaints, and other relevant information.

03

Domestic Cooperation and Engagement

03
Domestic Cooperation and Engagement

The effectiveness of an AML/CFT regime depends on seamless coordination among all relevant authorities. As the central agency of Bangladesh, the BFIU remains committed to fostering strong collaboration to effectively combat ML, TF, and PF. Guided by the principle of mutual cooperation, BFIU has maintained close partnerships with key stakeholders since its establishment. In the 2024–2025 fiscal year, BFIU undertook a series of initiatives aimed at further strengthening domestic collaboration and deepening engagement with relevant ministries, regulatory and supervisory bodies, law enforcement agencies, and other national institutions across the country.

3.1 National Coordination Committee on AML & CFT

The National Coordination Committee (NCC) on AML and CFT serves as the highest policy-making body responsible for developing and overseeing strategies to prevent ML and TF in Bangladesh. Chaired by the Honorable Finance Advisor, the committee comprises the Heads of key government agencies, with the Head of Bangladesh Financial Intelligence Unit (BFIU) acting as its Member Secretary. During the 2024–2025 period, the NCC convened twice and adopted several significant decisions and recommendations aimed at strengthening the national AML/CFT framework and enhancing inter-agency coordination.

Resolutions and Decisions Adopted on the 28th & 29th Meetings of the National Coordination Committee (NCC)

1. BFIU, ACC, and relevant agencies should launch coordinated initiatives to accelerate the recovery of laundered assets, prioritizing 10–12 major cases to demonstrate visible progress and send a strong message to society.

2. Ministry of Foreign Affairs (MoFA) shall continue efforts to pursue MLA treaties with ten identified countries (Canada, USA, UK, Singapore, Australia, Malaysia, UAE, Switzerland, Thailand, and Hong Kong-China) and strengthen follow-up mechanisms to secure timely responses to Bangladesh's MLA requests.

3. Bangladesh shall deepen cooperation with the International Anti-Corruption Coordination Centre (IACCC) and similar international bodies to enhance cross-border collaboration in asset tracing, information sharing, and investigation of corruption-related money laundering.

NCC -

- Prioritized recovery of Laundered assets in 10-12 major cases
- Pursuit of MLA treaties with 10 identified countries
- Completion of ongoing National Risk Assessment (NRA)
- Formulation of the next 3-year National Strategy

4. The operation of the National Risk Assessment (NRA) concerning money laundering and terrorist financing risks in the country must be completed promptly. Based on the findings of NRA, the National Strategy Paper is to be formulated for the next 03 years.

5. Initiatives shall be undertaken to attract foreign investment, stabilize the capital market, and enhance remittance inflows through strengthened diplomatic and economic relations.

6. All relevant ministries, divisions and government agencies shall undertake capacity-building initiatives, including specialized training for investigators and prosecutors to enhance the effectiveness of AML/CFT enforcement and asset recovery operations.

3.2 Working Committee on AML & CFT

The Working Committee on AML & CFT is the second-highest national body responsible for preventing money laundering and terrorist financing in Bangladesh. The Committee ensures coordinated institutional actions to implement national AML/CFT policies. The Secretary of the Financial Institutions Division (FID), Ministry of Finance, serves as the Convener and the Joint Secretary acts as the Member Secretary.

In recent times, the Committee convened once and endorsed several key decisions, including:

- Different Ministries, divisions, and relevant institutions shall update the implementation status of the Action Plan under the Mutual Evaluation Report 2015–16 and submit it to the Financial Institutions Division, Ministry of Finance.
- Initiatives shall be taken to incorporate BFIU's recommendations on beneficial ownership into the amendments of the Companies Act, 1994.
- Necessary steps shall be undertaken to amend the Public Gambling Act, 1867, and report progress to the Committee.
- A coordinated mechanism shall be established among the Ministry of Home Affairs, the Ministry of Foreign Affairs, LEAs, and BFIU to streamline the submission and follow-up of MLA requests, including the nomination of focal points for improved coordination.
- Committee shall address NCC regarding the establishment of a dedicated prosecution service for LEAs, similar to the ACC.
- Continued efforts shall be made to conduct Training of Trainers (ToT) programs for law enforcement agencies, judges, and prosecutors.

3.3 Central and Divisional Taskforce

A two-layered task force has been formed, i.e., Central Taskforce & Divisional Taskforce, to combat money laundering & terrorist financing in 2017 by restructuring the Central and Regional Taskforce, which were founded in 2002.

- Taskforce is an unparalleled platform that brings together different investigating agencies, law enforcement agencies, prudential regulators of 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.

- The organizations having representative in the Central Task Force include National Board of Revenue (NBR), Anti-Corruption Commission (ACC), Bangladesh Securities and Exchange Commission (BSEC), Department of Cooperatives, Insurance Development & Regulatory Authority (IDRA), NGO Affairs Bureau (NGOAB), Department of Narcotics Control (DNC), Registrar of Joint Stock Companies and Firms (RJSC), Police Headquarters, Dhaka Metropolitan Police (DMP), Criminal Investigation Department (CID), Anti Terrorism Unit (ATU) and the supervision-related departments of Bangladesh Bank.

- In addition, 08 (eight) representatives from scheduled banks, 02 (two) representatives each from financial institutions, capital market intermediaries, non-government organizations (NGOs), insurance companies, cooperative societies and 01(one) Mobile financial Services (MFS) are also members of the Central Task Force.

- Moreover, the branch head of the distinctive branches of Bangladesh Bank is the convener of the 07(seven) divisional taskforces.

- Major activities of divisional taskforces are to coordinate the activities of divisional law enforcement agencies, reporting organizations, along with the activities of the Bangladesh bank and to take necessary steps to implement the instructions given by the central taskforce.

- The Central Task Force is mandated to convene quarterly meetings to discuss the progress achieved in implementing its goals. In FY 2024-25 Central taskforce has conducted 02 (two) meetings in the months of October 2024 and December 2024.

Some of the major decisions of Central Taskforce Meetings are as follows:

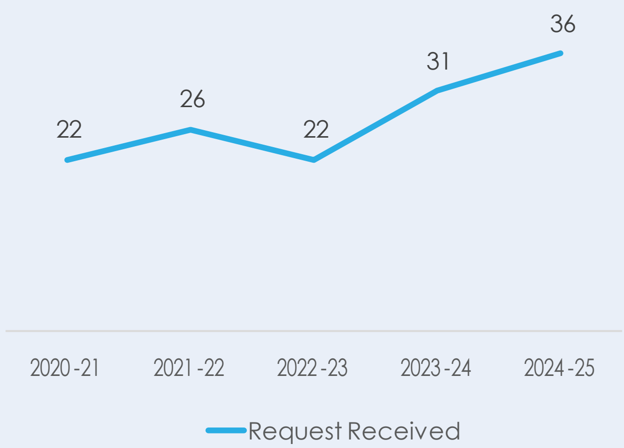
- On 25th Meeting (09.10.2024):
  - Arranging ToT for the regional offices of BB on AML/CFT by BFIU.
  - Including BTRC as a member in the Central Taskforce
  - Training on AML/CFT for officials of cooperatives.
  - Taking initiative to request the Department of Immigration and a passport to allow online verification of the passport in account opening.
- On 26th Meeting (22.12.2024):
  - Taking initiative to form a committee to check which mobile number is registered under which NID, so that proper verification can be done while account opening
  - While collecting information from BFIU for ML/TF cases by LEAs, it will come through the respective focal points.

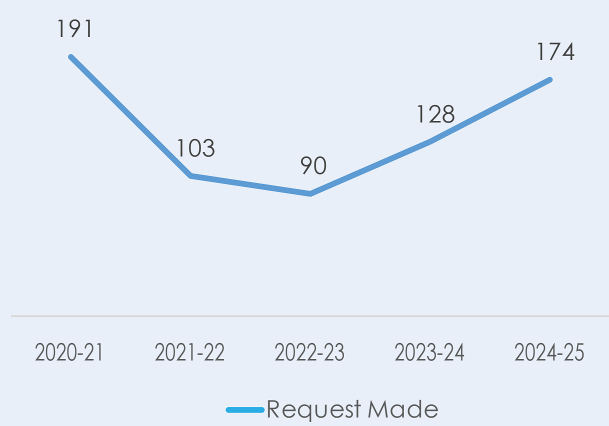
04

International Cooperation and Engagement

04
International Cooperation and Engagement

Combating transnational crimes like Money Laundering (ML), Terrorist Financing (TF) and Proliferation Financing (PF) requires a global response. FATF Recommendation 40 focuses on international cooperation, requiring countries to ensure that their competent authorities provide the widest range of international cooperation rapidly, constructively and effectively in relation to ML, associated predicate offences and TF. BFIU consistently offers its assistance and cooperation to its counterparts by promptly responding to all the requests received and also seeking 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 and typologies, BFIU is engaged with the international standard setter, FATF, by providing inputs in its Risks, Trends and Methods Group (RTMG), Policy and Development Group (PDG) and other expert groups/committees of FATF and APG. It also actively participates in APG, FATF, Egmont Group, UNCTAD and UNODC initiatives on AML, CFT & CPF.





In 2024-25, BFIU -

- Handled 36 incoming & 174 outgoingrequests
- Participated in 10+ major workshops & amp; training sessions

Bangladesh's next Mutual Evaluation scheduled for 2027-2028

4.1 Intelligence Exchange at the International Level

As an Egmont Group member, BFIU shares information with other FIUs via Egmont Secure Web (ESW) as needed. In addition, BFIU engages in information sharing with non-Egmont member FIUs with whom BFIU has signed an MoU. In 2024-25, BFIU received 36 requests from foreign FIUs and provided information accordingly. On the other hand, BFIU has made 174 requests to the foreign FIUs. The table provides a comprehensive record of information exchange requests by BFIU over the past five-year period.

4.2 APG Annual Meeting and TA&T Forum 2024

The Asia/Pacific Group on Money Laundering (APG) arranged its 2024 Annual Meeting and the 22nd Technical Assistance and Training (TA&T) Forum during the week of 23 September 2024 in Abu Dhabi, United Arab Emirates, hosted by the UAE National Committee for AML/CFT and attended by over 400 regional delegates. The Annual Meeting adopted an open-ended APG mandate, approved the APG Strategic Plan 2024–2028 and Co-Chairs' Priorities for 2024–2026, and endorsed updated procedures and timelines for the 4th Round of Mutual Evaluations, scheduling Bangladesh's next evaluation is in 2027–2028. Four mutual evaluation reports and follow-up reports of Nepal and Vietnam were also adopted.

Delegates participated in a technical seminar on virtual asset regulation, public–private partnerships, and beneficial ownership transparency. Held in parallel, the 22nd TA&T Forum brought together technical assistance recipients and providers, during which Bangladesh outlined key AML/CFT technical assistance priorities and co-chaired the South Asia Sub-Regional Coordination Meeting. The meeting also noted Japan's appointment as APG Co-Chair for 2024–2026.

Delegates at the APG 2024 Annual Meeting and 22nd TA&T Forum, Abu Dhabi

4.3 APG Assessor Training

The APG Assessor Training Workshops were held in December 2024 (Japan) and May 2025 (Macao, China), organized by the APG. Two officials from the Bangladesh Financial Intelligence Unit (BFIU) participated in the intensive programs aimed at building assessor capacity for the 5th Round of FATF/APG Mutual Evaluations. The training provided practical exposure to the Mutual Evaluation process, covering technical compliance and effectiveness assessments, and included pre-course assignments, mock interviews, mock plenary sessions, and simulated drafting of Mutual Evaluation Report (MER) components. The workshops strengthened participants' analytical and evaluation skills required for future assessor roles.

BFIU officials participating in APG Assessor Training Workshops Held in Japan (December 2024) and Macao, China (May 2025)

4.4 Regional Mutual Evaluation (ME) Preparation Workshop

The Regional Mutual Evaluation Preparation Workshop was held from 29 April to 1 May 2025 in Nadi, Fiji, organized by the APG and hosted by the Government of Fiji, to strengthen preparedness for the 5th Round of FATF Mutual Evaluations. The workshop focused on understanding FATF Recommendations, enhancing inter-agency coordination, and developing practical national action plans. Through lectures, case studies, and interactive exercises led by the APG Secretariat and guest experts, participants developed stakeholder engagement frameworks, data collection strategies, and baseline ME preparation plans, reinforcing the importance of early coordination, evidence-based submissions, and regional cooperation in achieving effective evaluation outcomes.

4.5 APG Typologies Workshop on Cyber-Enabled Fraud and Scams

The APG Typologies Workshop on Cyber-Enabled Fraud and Scams was held from 11–13 November 2024 in Kuala Lumpur, Malaysia, organized by the APG. The workshop examined emerging trends and typologies of cyber-enabled fraud (CEF) and their links to money laundering, highlighting the growing scale and sophistication of such crimes. Sessions covered key fraud typologies, including business email compromise, phishing, impersonation scams, fake online trading, romance scams and employment fraud, and discussed national and regional response strategies. Emphasis was placed on inter-agency coordination, public–private partnerships, rapid asset recovery mechanisms, virtual asset regulation, cross-border information exchange and digital evidence management. The workshop strengthened participants' understanding of cyber-enabled financial risks and supported efforts to enhance AML/CFT frameworks and operational cooperation in addressing evolving cyber threats.

BFIU officials at the APG Typologies Workshop on Cyber-Enabled Fraud and Scams, Kuala Lumpur, November 2024

4.6 The FATF Standards Training Course (STC-35)

The FATF Standards Training Course (STC-35) was held in Busan in December 2024, providing an in-depth overview of the 11 Immediate Outcomes (IOs) under the FATF methodology and practical guidance on effective implementation of AML/CFT/CPF measures. The course covered technical standards, effectiveness criteria, common implementation challenges, and best practices, with thematic focus on national coordination (IO1), preventive measures (IO4), virtual assets and VASPs (R.15), beneficial ownership transparency (IO5), risk-based supervision (IO3), financial intelligence (IO6), ML and TF investigations (IO7 & IO9), asset confiscation (IO8), targeted financial sanctions (IO10 & IO11), and international cooperation (IO2). Country experiences and case studies were used to illustrate effective approaches, while discussions on global ratings highlighted persistent effectiveness gaps, particularly in beneficial ownership and targeted financial sanctions. The course emphasized the importance of risk-based policies, proactive supervision, and strong international cooperation in strengthening AML/CFT frameworks.

A BFIU official receiving a certificate of participation at the FATF Standards Training Course (STC-35), Busan, December 2024

4.7 The FATF Standards Training Course (STC-41)

The 41st Standard Training Course (STC-41) on Beneficial Ownership (BO), organized by the FATF Training Institute, was held from 23–27 June 2025 at the Busan International Finance Center (BIFC). The course strengthened participants' technical and practical understanding of BO transparency in line with FATF Standards, with emphasis on the Immediate Outcomes (IOs) and their role in shaping effective AML/CFT frameworks. The program covered revised FATF requirements on legal persons and arrangements, BO registries, risk-based supervision, use of financial intelligence, investigations and confiscation, international cooperation, virtual assets, terrorist financing, and targeted financial sanctions. Delivered through lectures, case studies, and interactive exercises by FATF-affiliated experts, the training enhanced participants' capacity to assess risks, strengthen national frameworks, and improve implementation of BO measures.

BFIU officials with international participants at the 41st Standard Training Course (STC-41) on Beneficial Ownership, Busan, June 2025

4.8 APG & World Bank VA Investigation Training Workshop

An official of the BFIU participated in the APG & World Bank Virtual Asset (VA) Investigation Training Workshop, held in Busan, Republic of Korea, from 28–31 October 2024. The capacity-building program brought together participants from APG member jurisdictions, including FIUs, law enforcement agencies, prosecutors, and policymakers to strengthen expertise in addressing money laundering and terrorist financing risks related to virtual assets and virtual asset service providers (VA/VASP).

Participants at the APG & World Bank Virtual Asset (VA) Investigation Training Workshop, Busan, Republic of Korea, October 2024

The training focused on FATF requirements, investigative techniques, emerging typologies, including crypto wallets, dark web usage and crypto-enabled illicit financial flows. Participation enhanced BFIU's practical understanding of VA/VASP investigations and supported ongoing efforts to strengthen national supervisory frameworks in line with international standards and FATF best practices.

4.9 TENTACLE Asia-Pacific III Post-Operational Workshop

The TENTACLE Asia-Pacific III Post-Operational Workshop was held during 29–31 October 2024 in Auckland, New Zealand, jointly organized by the World Customs Organization (WCO) and the New Zealand Customs Service under the WCO AML/CTF Program. The workshop brought together 26 delegates from customs administrations and FIUs of 12 WCO member countries, including Bangladesh, with participation from INTERPOL and the Egmont Group. The program focused on analyzing operational data and validating findings from the TENTACLE Asia-Pacific III operation, addressing trends in ML, TF, and the smuggling of bulk cash, gold, gems, and precious metals. A field visit to New Zealand Customs facilities provided practical exposure to advanced detection and risk management techniques. The workshop concluded with a shared commitment to strengthen regional cooperation, intelligence sharing, and inter-agency coordination to enhance AML/CTF operational effectiveness across the Asia-Pacific region.

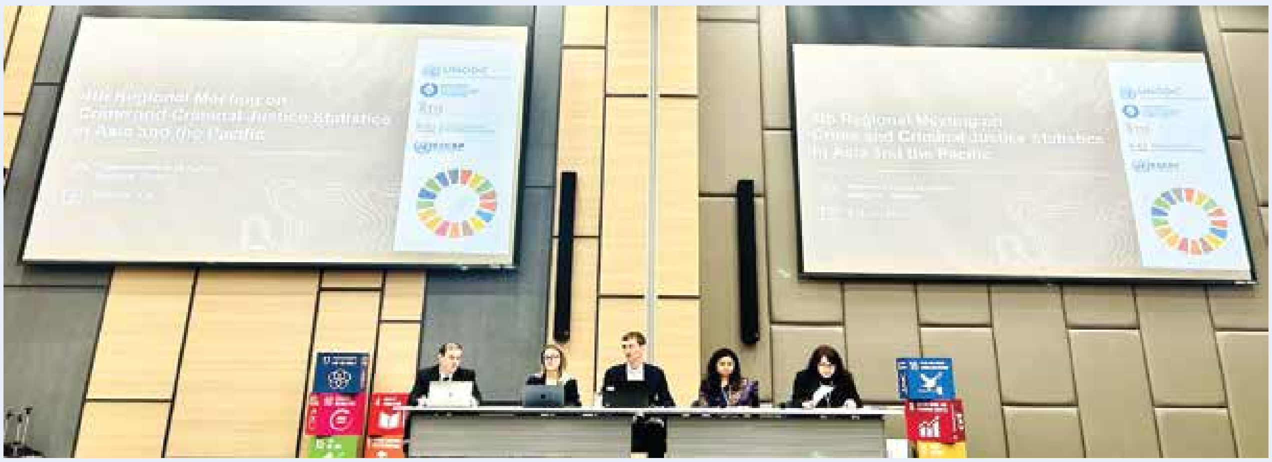
4.10 Workshop on Beneficial Ownership for Tackling Illicit Financial Flows

The ADB-organized workshop on "Beneficial Ownership for Tackling Illicit Financial Flows" was held from 3–5 July 2024 at the ADB Headquarters in Manila, Philippines, with 60 participants from 28 Asia-Pacific countries, including Bangladesh. The program enhanced participants' understanding of BO transparency, emphasizing its critical role in combating tax evasion, corruption, money laundering, and terrorist financing. The training highlighted global standards promoted by the FATF and the Global Forum, focusing on integrated AML/CFT, entity registration, and central BO register frameworks. It provided practical guidance on establishing BO registers, strengthening compliance, and improving inter-agency coordination. The workshop concluded with a shared commitment to strengthening national BO frameworks, enhancing regional cooperation, and aligning policies with the best international practices to address illicit financial flows.

Participants at the Workshop on Beneficial Ownership for Tackling Illicit Financial Flows, Manila, July 2024

4.11 4th Regional Meeting on Crime and Criminal Justice Statistics

The 4th Regional Meeting on Crime and Criminal Justice Statistics was held from 9–11 July 2024 in Thailand, hosted by the Thailand Institute of Justice (TIJ) and jointly organized by UNODC, the UNODC–KOSTAT Centre of Excellence, KICJ, and UNESCAP. BFIU participated as a speaker in the session on "Needs on Standardized Methodologies for Modern-Day Crimes: Illicit Financial Flows (IFFs)", sharing Bangladesh's experience as the national implementing agency for SDG Indicator 16.4.1 and lessons from the UNODC pilot project (as focal point) on measuring IFFs related to drug trafficking (2021–2022). The session facilitated exchanges on international crime statistics standards, emerging challenges in IFF measurement, and innovative approaches to data collection and analysis in support of evidence-based policymaking.



Speakers during the session at the 4th Regional Meeting on Crime and Criminal Justice Statistics, Thailand, July 2024

4.12 South Asia Regional Counternarcotics Workshop

The South Asia Regional Counternarcotics Workshop was held from 18–21 November 2024 in the Maldives, bringing together law enforcement, judicial, and prosecutorial officials from across the region to strengthen capacity to address narcotics trafficking, organized crime, and related transnational threats. The program covered regional trafficking trends, investigative and evidence-handling techniques, digital forensics, and legal procedures, complemented by practical simulations and case-based exercises. A key focus was placed on the use of financial intelligence disrupt criminal networks through a "follow-the-money" approach. The workshop promoted regional cooperation, information sharing, and operational coordination, supporting more effective and legally sound counter-narcotics enforcement across South Asia.

Officials from participating countries, including BFIU representatives, at the South Asia Regional Counternarcotics Workshop, Maldives, November 2024

4.13 Regional Conference on "The Use of Anti Money Laundering & Countering Terrorist Financing (AML/CFT) in the investigation of Art and Antiquities Criminality"

A regional conference on "The Use of AML/CFT in the Investigation of Art and Antiquities Criminality" was held from 27–29 November 2024 in Siem Reap, Cambodia, jointly organized by the EU AML/CFT Global Facility, the APG, and the Cambodian Financial Intelligence Unit (CAFIU). The conference brought together over 40 participants from 10 countries, including four representatives from BFIU and the CID, Bangladesh Police. The program raised awareness of vulnerabilities in the art and antiquities sector and highlighted AML/CFT tools, regulatory gaps, and international cooperation mechanisms. Participants shared case studies and best practices on asset recovery, the use of art-loss register, technology for heritage protection and timely domestic and cross-border information exchange to mitigate ML, TF and PF risks.

BFIU officials with international participants at The Use of AML/CFT in the Investigation of Art and Antiquities Criminality, Siem Reap, Cambodia, November 2024

4.14 International Terrorism Financing Awareness Program

An International Awareness Program on Terrorist Financing was held from 9–12 December 2024 at Holborn Police Station, United Kingdom, organized by the National Terrorist Financial Intelligence Unit, UK. The program familiarized participants with the UK's approach to terrorism-related financial investigations, emphasizing the role of financial intelligence as a tactical tool in countering terrorist financing. The training covered key elements of the UK counter-terrorism framework, including STR/SAR systems, FIU operations, Joint Money Laundering Intelligence Taskforce, financial sanctions, charity oversight and emerging terrorist financing threats. The program supported knowledge exchange, capacity building and international cooperation in addressing global terrorist financing risks.

BFIU officials at the International Awareness Program on Terrorist Financing, United Kingdom, December 2024

05

Professional Development of BFIU Officials

05

Professional Development of BFIU Officials

BFIU prioritizes a highly skilled and capable workforce to ensure optimal performance and outcomes. In line with this, the Unit undertook several initiatives during the financial year to promote the professional development of its employees. BFIU officials participated in an array of workshops and training programs both at home and abroad. The Unit received support from various international organizations and foreign agencies in organizing training sessions, workshops, and seminars.

5.1 Participation of BFIU Officials in Training Programs as Resource Persons

BFIU officials participated in domestic training programs, workshops and seminars organized by different organizations. It enables the officials to enhance their capacity as well as capability. Moreover, BFIU officials share their knowledge and experience received from training, workshops and seminars with other colleagues of BFIU. This practice maximizes the utility of the training programs, workshops and seminars.

In 2024-25, as resource persons, BFIU officials participated in 159 domestic training programs, workshops, seminars, etc., arranged by different reporting organizations.

5.2 Cybersecurity Training for Financial Institutions

The Cybersecurity Training for Financial Institutions was held on 11–12 November 2024. The event was organized by the United States Department of State in collaboration with the United States Civilian Research and Development Foundation (CRDF) Global and Mandiant.

The training brought together 10 IT professionals from Bangladesh Bank, 10 experts from selected commercial banks, and 10 officials from the BFIU. The program covered practical topics including cyber hygiene, threat detection and incident response, risk assessment for financial systems, and the implementation of basic protective controls tailored to the financial sector.

The training combined classroom instruction with hands-on exercises, enabling participants to apply the lessons directly within their respective institutions. The workshop aimed to enhance cybersecurity preparedness across Bangladesh's financial sector and to foster professional networks for continued cooperation and information sharing.

BFIU strongly focuses on both internal professional development through massive domestic engagement and high-impact international training partnerships to elevate expertise in cybersecurity AML/CFT operations, mutual legal assistance, and combating illicit financial flows

Participants of the Cybersecurity Training for Financial Institutions held on 11–12 November 2024

5.3 US Secret Service Sponsored Training on AML & CFT

In November 2024, the U.S. Secret Service sponsored a training program on Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) in Dhaka. The program brought together participants from BFIU, law enforcement agencies, government ministries and regulatory bodies, as well as representatives from the private sector.

The training covered core AML/CFT concepts as well as key operational skills, including risk-based customer due diligence, transaction monitoring and red-flag identification, inter-agency information sharing, and investigation techniques. Specialized sessions addressed vulnerabilities in DNFBPs, cross-border money movements, and the role of financial intelligence units in supporting prosecutions.

Delivered through expert presentations, case studies, and interactive exercises, the program enhanced participants' practical capabilities, strengthened inter-agency cooperation, and promoted effective implementation of AML/CFT measures across relevantsectors.

Participants and trainers at the U.S. Secret Service–sponsored AML/CFT training program held in Dhaka in November 2024

5.4 Specialized Workshop on Mutual Legal Assistance on Criminal Matters

The United Nations Office on Drugs and Crime (UNODC), in collaboration with the Public Security Division of the Ministry of Home Affairs (MoHA), organized a three-day Specialized Workshop on Mutual Legal Assistance (MLA) for Criminal Matters from 15–17 April 2025. The workshop, supported by the European Union under the GLO.ACT–South Asia initiative, aimed to strengthen parallel financial investigations and prosecutions related to trafficking in persons (TIP).

Participants and trainers at the UNODC-supported Specialized Workshop on `Mutual Legal Assistance for Criminal Matters', held in Dhaka from 15–17 April 2025

The program brought together 25 officials from relevant government agencies, including the Bangladesh Financial Intelligence Unit (BFIU). It combined expert presentations, case studies, and practical exercises covering MLA procedures, legal frameworks, drafting of MLA requests, and inter-agency cooperation.

The workshop enhanced participants' operational understanding of international cooperation mechanisms and contributed to strengthening Bangladesh's capacity to support criminal justice and counter-trafficking efforts.

BFIU participants at the Workshop on Measuring and Curbing Illicit Financial Flows (IFFs), held in Dhaka from 25–28 May 2025.

5.5 Workshop on Measuring and Curbing Illicit Financial Flow

The Workshop on Measuring and Curbing Illicit Financial Flows (IFFs) was held from 25 to 28 May 2025 in Dhaka. The program was jointly organized by the Bangladesh Financial Intelligence Unit (BFIU) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), bringing together policymakers, analysts, and practitioners from relevant government agencies and partner institutions.The four-day program covered thematic areas including risk assessment, data validation, public sector management, and tax-related policy reforms.

Sessions introduced key measurement frameworks such as the Partner Country Method (PCM) and Price Filter Method (PFM), including the practical application of the TINA tool. Discussions also addressed informal financial flows, offshore wealth outflows, and the role of digital tax administration in improving transparency.

The workshop strengthened technical understanding of IFF measurement, promoted inter-agency collaboration, and supported the development of coordinated policy responses to combat IFFs in Bangladesh.

5.6 Participation in the “Dialogue on Accessible and Effective Criminal Justice Systems”

Two officials from the Bangladesh Financial Intelligence Unit (BFIU) participated in the Dialogue on Accessible and Effective Criminal Justice Systems held on 26 June 2025 in Dhaka. The program was organized by the United Nations Office on Drugs and Crime (UNODC) with support from the Government of Norway, and brought together representatives from justice sector institutions, law enforcement agencies, legal professionals, and development partners.

The dialogue aimed to strengthen access to justice and promote efficiency, transparency, and human rights within Bangladesh’s criminal justice system. The program featured thematic discussions on enhancing legal aid services, strengthening public prosecution, and improving police–prosecution cooperation to ensure fair and rights-based investigations.

BFIU’s participation reflected its commitment to inter-agency cooperation and its mandate to support integrity, transparency, and accountability within the criminal justice and financial systems. The engagement provided valuable perspectives on integrating financial intelligence into a rights-based justice framework and reinforcing efforts to combat financial crimes in Bangladesh.

06

Awareness Program and Capacity Building of Reporting Organizations

06

Awareness Program and Capacity Building of Reporting Organizations

The effectiveness of a Financial Intelligence Unit (FIU) is closely linked to the capacity of Reporting Organizations (ROs). Continuous awareness-raising and capacity-building initiatives on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) enhance employees' understanding of evolving money laundering (ML), terrorist financing (TF), and proliferation financing (PF) typologies, thereby strengthening their ability to identify, mitigate, and prevent associated risks.

Enhancing the AML/CFT knowledge and compliance capacity of ROs remains a key objective of the Bangladesh Financial Intelligence Unit (BFIU) strategic action plan to combat ML, TF, and PF. To this end, BFIU regularly organizes meetings, conferences, and training programs for ROs and deploys resource persons to support ROs, regulatory authorities, law enforcement agencies, and other relevant institutions on AML/CFT-related matters.

In 2024-25, BFIU -

- Organized major CAMLCO conferences for banks, insurance companies and finance companies
- Conducted system-check inspecions at 20 NGO institutions
- Arranged extensive workshop for Capital Market Intermediaries, DNFBPs and Cooperative Companies

6.1 CAMLCO Conference of Insurance Companies 2024

To strengthen Bangladesh's framework for preventing money laundering and terrorist financing, BFIU has been regularly organizing conferences for Chief Anti-Money Laundering Compliance Officers (CAMLCOs) of insurance companies. In this context, the CAMLCO Conference 2024 was held on 6 July 2024 in Dhaka.

The conference was attended by CAMLCOs from all insurance companies operating in Bangladesh. The Head of BFIU attended as Chief Guest, while the President of the Bangladesh Insurance Forum and a designated AML/CFT representative from the Insurance Development & Regulatory Authority (IDRA) were present as Special Guests.

The conference facilitated in-depth discussions on AML/CFT compliance and contributed to strengthening professional collaboration among compliance officers. Such initiatives play an important role in enhancing coordination among regulatory authorities, reporting organizations, and BFIU in combating ML and TF.

Participants at the official photo session of the CAMLCO Conference for finance companies, 20–21 December 2024

6.2 CAMLCO Conference of Finance Companies 2024

The BFIU organized a two-day conference for Chief Anti-Money Laundering Compliance Officers (CAMLCOs) of finance companies on 20–21 December 2024 in Dhaka. The conference brought together CAMLCOs and Deputy CAMLCOs (DCAMLCOs) from finance companies to strengthen sector-wide vigilance against ML and TF.

The conference underscored the critical role of compliance officers in implementing robust AML/CFT controls and safeguarding the integrity of the financial sector. The Acting Head of BFIU, attending as Chief Guest, emphasized BFIU's mandate as the central authority for promoting discipline and stability within the financial system and highlighted emerging risks related to Credit-based money laundering. Participants were urged to maintain heightened vigilance throughout the credit lifecycle, from borrower selection to loan repayment.

Panel discussions featured senior officials from BFIU, Bangladesh Bank, managing directors of finance companies, and compliance professionals. The sessions examined common Credit-based money laundering typologies, including the use of fictitious borrowers, false collateral, concealment of beneficial ownership, fund diversion, collateral overvaluation, and intentional loan defaults.

The conference emphasized the adoption of an RBA to lending, including enhanced due diligence, verification of BO, scrutiny of loan purposes, strengthened corporate governance, and avoidance of undue influence in credit decisions. Discussions also highlighted the need for continuous capacity building to address emerging risks associated with DFS.

The conference contributed to strengthening regulatory compliance, enhancing inter-institutional cooperation, and reinforcing Bangladesh's efforts to combat ML and TF within the financial sector.

6.3 Extensive Workshop for CMIs

An intensive workshop for Capital Market Intermediaries (CMIs) was held on 18 February 2025 at the BFIU conference room. The Deputy Head of BFIU attended as Chief Guest, with Directors of BFIU also present. A total of 25 officials from CMIs participated, along with four observers from the Bangladesh Securities and Exchange Commission (BSEC) and the Dhaka Stock Exchange (DSE).

The workshop covered key regulatory frameworks, relevant case studies, an introduction to goAML functionalities, and a feedback session. Participants were advised to exercise due diligence to prevent CMIs from being misused for ML or TF through placement or layering activities. The feedback session also generated insights on strengthening supervision of the CMI sector.

6.4 CAMLCO Conference of Banks 2025

The Chief Anti-Money Laundering Compliance Officers (CAMLCO) Conference of Banks 2025 was held in Chattogram from 11 to 12 April 2025 on the initiative of the Bangladesh Financial Intelligence Unit (BFIU) in collaboration with the Anti-Money Laundering Compliance Officers of Bankers in Bangladesh (AACOBB). The conference was inaugurated by the Governor of Bangladesh Bank, Dr. Ahsan H. Mansur, as Chief Guest. The theme of the conference was “Crisis to Resilience: Reinforcing Bangladesh’s AML/CFT Framework to Combat Corporate Abuse and Illicit Financial Flow.”

The opening session was chaired by the Head of BFIU, with the Chairman of the Association of Bankers Bangladesh (ABB) and AACOBB delivering welcome remarks. Senior officials from BFIU and Bangladesh Bank, Managing Directors and Chief Executive Officers, and Chief and Deputy CAMLCOs from 61 scheduled banks operating in Bangladesh participated in the conference.

In his address, the Governor emphasized the government’s priority to recover laundered assets through coordinated efforts of BFIU, Bangladesh Bank, and other government agencies. He noted recent improvements in remittance inflows, exchange rate stability, and the macroeconomic environment, while identifying weaknesses in institutional governance as a key driver of irregularities and ML in the banking sector. He underscored the importance of ensuring the effective autonomy of the central bank to prevent such crises.

Speakers from ABB and AACOBB reaffirmed their commitment to strengthening AML/CFT compliance, highlighting the need for enhanced technology-based monitoring systems and improved corporate governance. In his address, the Head of BFIU emphasized the adverse impact of uncontrolled credit growth, rising non-performing loans, loan fraud, governance failures, and ML on economic growth, inflation, foreign exchange reserves, and macroeconomic stability. He urged banks to further strengthen AML/CFT compliance and monitoring frameworks to ensure discipline and integrity in the financial sector. He further expressed confidence that

Group photo of the Governor of Bangladesh Bank, BFIU leadership, bank Managing Directors, and Chief Anti-Money Laundering Compliance Officers (CAMLCOs) attending the CAMLCO Conference of Banks 2025, Chattogram, April 2025

the coordinated and sustained efforts of all relevant stakeholders, including the Inter-Agency Task Force and the Banking Sector Reform Task Force, would contribute to safeguarding macroeconomic stability and preventing ML.

The two-day conference also discussed the role of AML measures in preventing corporate sector abuse, addressing banking sector vulnerabilities, countering recent financial scams, and supporting efforts to recover laundered assets. Discussions further covered emerging money laundering typologies, including illegal hundi, online gaming and betting, foreign exchange trading, cryptocurrency transactions, and related mitigation strategies.

Keynote and panel sessions were delivered by BFIU officials and moderated by senior officials of Bangladesh Bank and BFIU, with Managing Directors and Chief Executive Officers of banks participating as discussants. At the conclusion of the conference, based on participants' recommendations, the Head of BFIU announced the Action Plan 2025 for banks to strengthen AML/CFT compliance in the banking sector.

6.5 Capacity Building for NGOs/NPOs

To enhance awareness and build capacity among Reporting Organizations, particularly within the NGO and NPO sector, BFIU implemented a series of targeted initiatives during the reporting period. Comprehensive system-check inspections were conducted at 20 NGOs/NPOs institutions across Dhaka and other regions, with a particular focus on mitigating heightened risks of ML and TF.

Snapshots from training workshops, and outreach activities for NGO and NPO institutions implemented by BFIU as part of its supervisory and capacity-building initiatives

To strengthen preventive controls, BFIU organized specialized AML/CFT training workshops in key divisions, including Chattogram, Khulna, and Rajshahi, in collaboration with NGO institutions. These programs provided practical guidance and tools to enhance compliance and risk mitigation.

6.6 Capacity Building for DNFBPs

BFIU extended its awareness and capacity-building initiatives to designated non-bank reporting entities, including real estate developers, precious metals and stones traders, accountants, and lawyers. Specialized AML/CFT training workshops were organized for these sectors to enhance understanding of sector-specific vulnerabilities, emerging typologies, and regulatory obligations.

To strengthen compliance, BFIU conducted both off-site and on-site inspections of first-class real estate development companies, precious metals and stones businesses, accountants, and lawyers. These inspections were carried out using structured compliance questionnaires to systematically assess adherence to AML/CFT requirements and identify areas requiring corrective action.

6.7 Capacity Building for Cooperative Companies

BFIU intensified its outreach to cooperative societies engaged in deposit-taking and loan-providing activities, recognizing their exposure to ML and TF risks. System-check inspections focusing on AML/CFT compliance were conducted across cooperative societies in Dhaka and other regions to assess internal controls, risk management practices, and compliance with statutory requirements.

To strengthen inter-agency coordination, BFIU convened a high-level meeting with the Department of Cooperative to clarify respective roles under the Money Laundering Prevention Act, the Anti-Terrorism Act, and BFIU-issued directives, laying the groundwork for coordinated supervisory initiatives.

In collaboration with the Department of Cooperative, BFIU facilitated three targeted training programs—one in Dhaka and two in regional locations—and jointly organized town hall meetings in Dhaka, Chattogram, and Khulna. These initiatives enhanced awareness of AML/CFT obligations, promoted best practices, and strengthened the capacity of cooperative societies to detect, prevent, and report money laundering and terrorist financing activities.

07

Strategic Analysis

07
Strategic Analysis

Strategic analysis is a core function of a Financial Intelligence Unit (FIU) and a critical input for informed decision-making in combating money laundering (ML) and terrorist financing (TF). In line with Interpretive Note 3 to FATF Recommendation 29, FIUs are required to conduct strategic analysis using available data to identify trends, patterns, and typologies related to ML, predicate offences, and TF, and to disseminate the findings to competent authorities.

As a proactive FIU, the Bangladesh Financial Intelligence Unit (BFIU) regularly undertakes strategic analysis using Cash Transaction Reports (CTRs), Suspicious Transaction Reports/Suspicious Activity Reports (STRs/SARs), and other relevant data sources. These analyses, conducted independently and in collaboration with reporting organizations (ROs) and government agencies, inform supervisory priorities, policy development, and operational strategies, while also supporting law enforcement agencies (LEAs) in protecting the financial system from criminal misuse.

In 2024-25,

- Cash transactions fell 15.7% in count (to 33.16 mn) ; 14.5% in value (to BDT 20,436 bn)
- Dhaka dominated 54.62% of the volume of Cash transactions
- Online Gaming/Betting/Crypto-related STR/SARs surged to 1,046 in 2024

7.1 Trend Analysis of Cash Transactions in the Bangladesh Economy (2024–25)

7.1.1 Introduction

Bangladesh's financial system is undergoing a gradual transition toward increased digitalization, supported by policy initiatives of the Government of Bangladesh and Bangladesh Bank to promote a cashless economy. Nevertheless, cash transactions continue to play a significant role in several sectors, particularly real estate, construction, and wholesale trade. The prevalence of high-value cash-based activities, often with limited transparency, increases systemic vulnerabilities and underscores the need for robust regulatory and supervisory oversight of cash movement patterns.

In this context, the BFIU conducts an annual Trend Analysis of Cash Transactions based on CTRs submitted by ROs. This analysis provides insights into the structure, distribution, and emerging trends of cash usage across the economy. Beyond identifying potential ML and TF risks, the exercise supports the detection of sectoral anomalies, regional concentration, and behavioral shifts in cash transaction patterns. The findings assist financial institutions, supervisory authorities, and policymakers in strengthening preventive measures, guiding risk-based inspections, and maintaining effective oversight of Bangladesh's cash-intensive financial landscape.

7.1.2 Comparison of Cash Transactions during FY2020–21 to FY2024–25

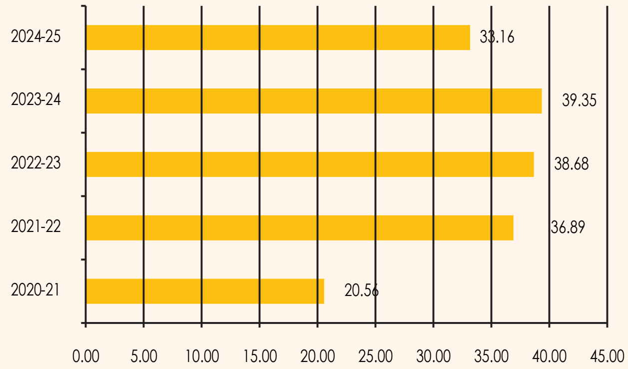
An analysis of threshold-based cash transactions (BDT 1.0 million and above) over the past five fiscal years indicates a sustained increase in both the number and volume of transactions from FY2020–21 to FY2023–24, followed by a notable decline in FY2024–25.

During FY2020–21 to FY2023–24, cash transactions expanded steadily, supported by post-pandemic economic recovery and rising commercial activity. Both the number and value of CTRs increased throughout this period, peaking in FY2023–24 at 39.35 million transactions with a total value of BDT 23,900.93 billion.

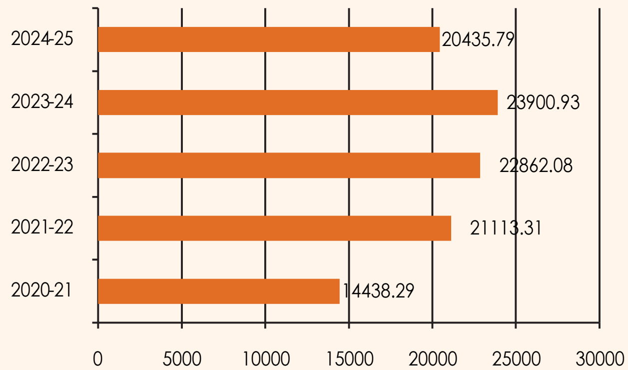
In FY2024–25, this trend reversed, with the number of transactions declining to 33.16 million and total transaction volume falling to BDT 20,435.79 billion. Compared to the previous fiscal year, this represents decreases of 15.7% in transaction count and 14.5% in transaction value. The contraction may reflect increased adoption of digital payment channels, strengthened regulatory oversight, and shifts in cash-based business practices influenced by macroeconomic adjustments.

Overall, the five-year trend highlights a gradual transformation in Bangladesh's financial landscape. While cash usage expanded significantly in earlier years, the recent decline suggests an emerging shift toward more traceable and digital payment mechanisms. Nonetheless, the persistently high level of cash transaction activity underscores the need for continued monitoring to assess associated ML and TF risks.

Graph-1: Number of Transaction in CTR (in Million)



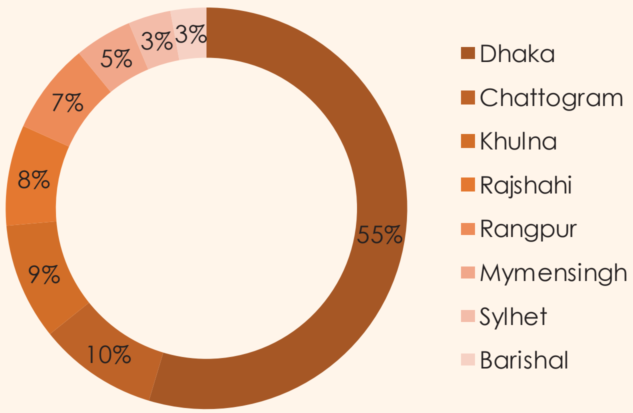
Graph-2: Volume of Transaction in CTR (in Billion BDT)



7.1.3 Geographical Location-wise Cash Transaction (Volume) in 2024-25

Analysis of cash transactions by geographical distribution (Graph 3) indicates a continued concentration of cash activity in the Dhaka Division. In FY2024–25, Dhaka accounted for 54.62% of the total cash transaction volume reported through CTRs, reflecting its role as the country's principal administrative, commercial, and financial center. The high concentration of corporate headquarters, financial institutions, wholesale markets, and large-scale real estate and construction activities, together with a dense population and extensive industrial zones, contributed to this dominant share.

Graph-3: Geographical Location-wise Transaction (Percentage)



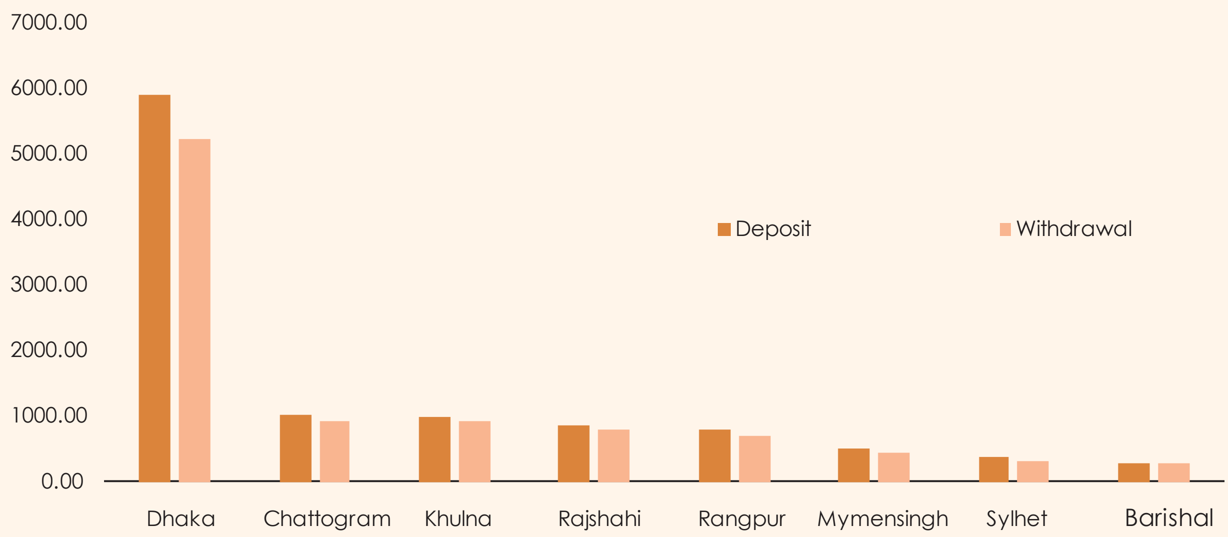
Chattogram Division recorded the second-largest share at 9.60%, consistent with its position as the country's primary port and a major industrial and trading hub, although its proportion remained substantially lower than that of Dhaka. Other divisions, including Khulna (9.39%), Rajshahi (8.10%), and Rangpur (7.33%), accounted for notable shares, indicating gradual economic diversification beyond the capital region. Khulna's position reflects its industrial base and remittance inflows, while Rajshahi and Rangpur highlight strong regional trade and agricultural activity.

The remaining divisions—Mymensingh (4.64%), Sylhet (3.43%), and Barisal (2.88%)—together accounted for less than 12% of total cash transaction volume, consistent with their comparatively smaller economic bases.

Sylhet's relatively lower share, despite significant remittance inflows, suggests increased use of formal and digital channels, while Barisal's contribution reflects its predominantly agrarian economy.

An examination of deposit and withdrawal volumes across divisions (Graph 4) shows that cash deposits exceeded withdrawals in all regions, indicating that a portion of deposited funds may have been transferred electronically or withdrawn below the CTR reporting threshold. Dhaka recorded deposits of BDT 5,916.06 billion and withdrawals of BDT 5,246.32 billion, followed by Chattogram, Khulna, and Rajshahi with similar patterns. Lower overall volumes were observed in Sylhet and Barisal. The consistent surplus of deposits over withdrawals across

Graph-4: Geographical Location-wise Transaction (Volume in Billion BDT)



divisions suggests a gradual shift toward non-cash fund utilization, including digital payments and interbank transfers.

This pattern underscores the need for targeted regulatory attention in high-volume and high-risk divisions, particularly Dhaka and Chattogram, while strengthening regional monitoring, data-driven supervision, and digital payment adoption to support a more balanced and transparent financial system.

7.1.4 Cash Transaction Scenario in Border Districts (FY2023–24 and FY2024–25)

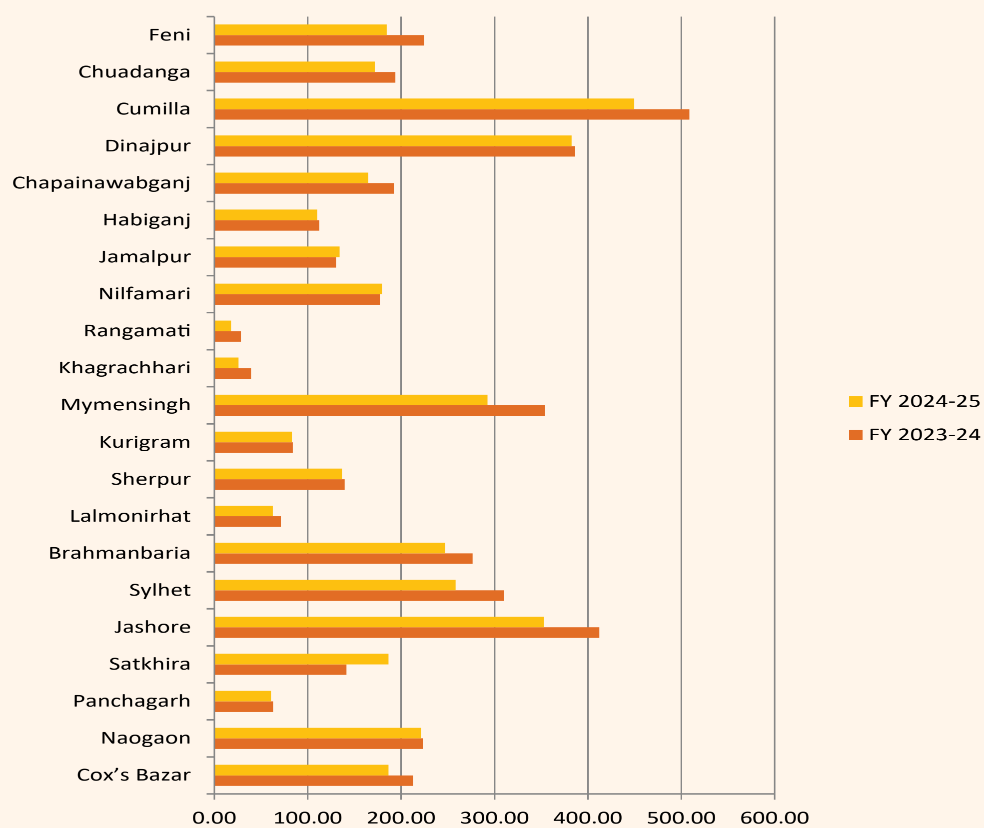
Analysis of cash transactions in key border districts for FY2023–24 and FY2024–25 (Graph 5) provides insights into evolving financial patterns and emerging risks in these high-sensitivity areas.

Overall, cash transaction volumes declined across most border districts in FY2024–25 compared to FY2023–24, marking a reversal of the upward trend observed in previous years.

Among major districts, Cumilla recorded a decline of 11.6%, with transaction volumes falling from BDT 508.64 billion to BDT 449.71 billion. Jashore experienced a decrease of approximately 14.4%, while notable contractions were also observed in Sylhet (–16.7%), Brahmanbaria (–10.6%), Mymensingh (–17.4%), Feni (–17.8%), and Chuadanga (–11.4%). These trends indicate a broad-based reduction in cash activity across several high-risk border corridors.

In contrast, Satkhira registered a significant increase of around 31.8%, rising from BDT 141.47 billion to BDT 186.43 billion, while Nilphamari and Jamalpur recorded marginal increases. These localized variations may signal shifting transaction hubs or emerging hotspots for informal financial activity.

Graph-5: Volume of CTR in Border Districts in 2023-24 and 2024-25



Strategic Analysis

Overall, while FY2024–25 reflects a moderation in cash transactions across border regions, persistent vulnerabilities and localized increases underscore the need for continued monitoring, targeted supervision, and focused interventions to safeguard financial integrity and national security.

7.1.5 Threshold-based Cash Transaction Analysis (FY2024–25)

Analysis of cash transactions by threshold range reveals clear patterns in transaction behavior and value distribution during FY2024–25. Transactions between BDT 1.0 million and less than BDT 2.5 million remained dominant, with 5.35 million transactions totaling BDT 7,451.11 billion, accounting for 36.46% of total cash transaction volume. This continued dominance indicates strong reliance on moderate-value cash transactions, largely associated with business and retail trade activities.

Transactions in the BDT 2.5 million to less than BDT 5.0 million range amounted to 1.02 million transactions with a cumulative value of BDT 3,361.58 billion, representing 16.44% of total volume. While lower than the preceding bracket, this segment reflects a significant share of medium-scale commercial and property-related cash movements.

Higher-value transactions showed comparatively lower frequency. Transactions between BDT 5.0 million and less than BDT 10.0 million totaled 0.34 million, with a value of BDT 2,186.91 billion (10.70% of total volume). Transactions exceeding BDT 10.0 million were the least frequent, comprising 0.09 million transactions with a total value of BDT 1,826.68 billion (8.93%). The declining frequency of higher-value cash transactions is consistent with strengthened AML/CFT monitoring and reporting requirements.

Overall, while lower-threshold cash transactions continue to dominate in both number and volume, the gradual reduction in higher-value cash transactions suggests an increasing shift toward electronic and traceable payment channels. This trend may reflect the combined impact of regulatory oversight, digital financial inclusion, and heightened AML/CFT awareness.

Table 6: Different Thresholds 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	5.35	7451.11	36.46%
BDT 2.5 million or above to less than 5.0 million	1.02	3361.58	16.44%
BDT 5.0 million or above to less than 10.0 million	0.34	2186.91	10.7%
More than BDT 10.0 million	0.09	1826.68	8.93%

7.1.6 Recommendations

(1) Continue coordinated efforts by the Government and Bangladesh Bank to discourage excessive reliance on cash and mitigate money laundering risks.

(2) Sustain and expand digital payment initiatives to enhance transaction traceability and reduce cash dependency.

(3) Strengthen oversight in border districts—particularly Satkhira, Nilphamari, and Jamalpur—to prevent illicit cross-border flows and ensure transactions remain within the formal financial system.

7.2 Financial Intelligence Analysis of Online Gaming, Betting, Gambling, Scamming, and Crypto-Related Transactions in Bangladesh

7.2.1 Background of the Study

Bangladesh has experienced a significant increase in illegal online gaming, betting, gambling, and cryptocurrency-related activities in recent years. The rapid expansion of mobile financial services (MFS), including deep penetration into rural and less financially literate communities, has facilitated the proliferation of these illicit schemes. Between 2020 and 2024, BFIU received 1,899 STRs/SARs linked to these activities, involving financial flows amounting to tens of billions of BDT through bank and MFS accounts. These trends indicate a growing and systemic risk to the integrity of Bangladesh's financial system. According to the United Nations Office on Drugs and Crime (UNODC), organized crime in East and Southeast Asia is increasingly exploiting online gambling and virtual-asset platforms to launder money.

Against this backdrop, the study provides a comprehensive financial intelligence assessment of these emerging threats. It examines the scale and flow of suspicious transactions, identifies key instruments used for placement and layering, and analyses the distinct roles of banks and MFS platforms. The analysis further explores geographic hotspots, agent-based typologies, and potential exit routes for illicit funds. The findings aim to highlight critical vulnerabilities within the AML/CFT framework and to inform targeted, risk-based interventions combining regulatory oversight, enhanced surveillance, and public protection measures.

A study by Transparency International Bangladesh (TIB) revealed that MFS platforms are being systematically misused—not only for gambling but also for laundering proceeds into cryptocurrencies, hundi, and other illicit channels. The report noted that many MFS account holders have suffered losses, yet very few lodge formal complaints, suggesting a culture of underreporting and weak recourse. Meanwhile, academic and policy research highlights how local gambling agents act as intermediaries, facilitating money flow into opaque systems for cross-border exits.

7.2.2 Regulatory Requirements: Local Laws and Rules

It is important to note that such activities are explicitly prohibited under the existing legal and regulatory framework of Bangladesh. The Cyber Security Ordinance 2025 clearly criminalizes online gambling and betting. Article 20, Section 1 states that any person who creates, operates, participates in, assists, or advertises any gambling-related portal, app, device, or activity in cyberspace commits an offence. Furthermore, Article 20, Section 2 prescribes imprisonment of up to two years, a fine of up to one crore taka, or both for violations of this provision.

Bangladesh Bank, in turn, has directed all MFS providers to bolster automated monitoring and deploy task forces to detect suspicious gambling-related activity. Law enforcement agencies, including the Criminal Investigation Department (CID), are actively investigating hundreds of agents, apps and payment chains tied to digital gambling.

Similarly, cryptocurrency-related activities also fall outside the scope of legal financial transactions in Bangladesh. Bangladesh Bank's FE Circular No. 24, dated 22 September 2022, clarified that the definition of "currency" under FERA 1947 does not recognize virtual currencies. The circular further declares that any transactions made in, from, or to Bangladesh for acquiring virtual assets or virtual currencies are not permitted.

Despite these clear prohibitions, the financial footprint of online gaming, betting, gambling and crypto-related schemes has expanded at an unprecedented pace, posing significant risks to the country's financial integrity and regulatory stability.

7.2.3 Rapid Growth of Suspicious Financial Activity in Online Gaming, Betting, and Crypto

Between 2020 and 2024, BFIU received 1,899 STRs/SARs related to these activities. Reporting increased sharply from 50 cases in 2020 to 1,046 cases in 2024, indicating a significant acceleration in illicit activity and public exposure to these schemes.

Analysis of the reported cases shows that 6,222 accounts of bank and mobile financial service (MFS) were involved, collectively handling BDT 61,441.54 million in deposits and BDT 43,497.05 million in withdrawals. Despite ongoing awareness initiatives and regulatory measures by the Government, Bangladesh Bank, and BFIU, the magnitude of these flows demonstrates the continued expansion of organized scam networks and illegal digital platforms.

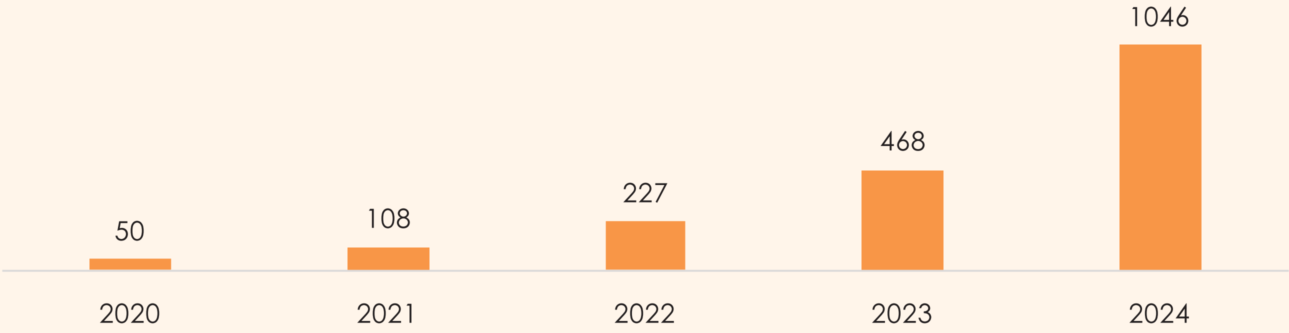
This trend exposes individuals to substantial financial losses and creates significant vulnerabilities for large-scale ML and illicit capital outflows, posing a direct challenge to Bangladesh's AML/CFT framework and financial stability. The findings underscore the need for immediate, coordinated, and technology-driven interventions to mitigate these emerging risks.

7.2.4 Patterns of Fund Movement across Banking and Payment Channels

Analysis reveals a highly dynamic and structured pattern of fund movement across Bangladesh's banking and digital payment ecosystem. Suspicious transactions are concentrated in a limited number of high-velocity channels, indicating deliberate efforts by criminal networks to maximize speed, mobility, and anonymity in moving illicit proceeds.

On the deposit side, transfer-based instruments dominate and emerge as the primary methods used for placement and layering. This reflects increasing reliance on instant, low-friction digital channels to introduce funds into the financial system. Cash deposits, while comparatively lower than transfers, remain significant and point to

Number of STR/SARs



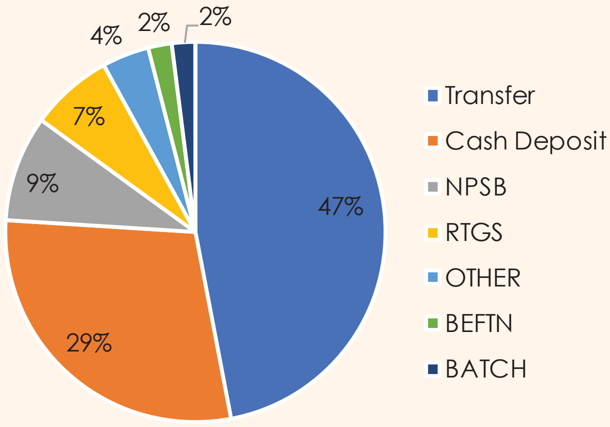
traditional placement methods involving physical deposits by victims or intermediaries. Other instruments, including NPSB, RTGS, BEFTN, and miscellaneous channels, play a supporting role by diversifying inflows and facilitating rapid fund movement across platforms.

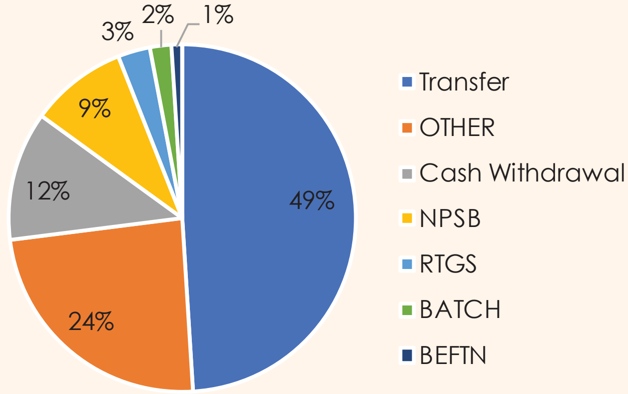
On the withdrawal side, the pattern becomes even more concerning. Transfers account for the largest share, indicating rapid redistribution of funds to mule accounts, aggregator accounts, or offshore-linked channels. A substantial volume of withdrawals is routed through the "Other" or miscellaneous category, suggesting the use of opaque payout mechanisms such as agent-assisted cash-outs, informal intermediaries, or poorly classified fintech channels. This category poses notable AML/CFT risks; as such flows often evade detailed scrutiny. Cash withdrawals remain a consistent component, indicating partial reintegration of illicit proceeds into the physical economy. The frequent use of real-time payment systems underscores the speed with which funds are dispersed, often shortly after deposit.

Overall, the combined reliance on transfer-based instruments, real-time digital channels, and ambiguous withdrawal mechanisms reflects a sophisticated laundering ecosystem aligned with modern digital fraud typologies. These patterns highlight the need for strengthened supervisory oversight, enhanced real-time monitoring, and improved transaction classification to mitigate risks to the integrity of Bangladesh's financial system.

7.2.5 Comparative Analysis of Suspicious Transactions and Financial Volumes: Banks vs. MFS

Analysis of STRs/SARs reveals distinct and complementary roles played by banks and mobile financial services (MFS) in online gaming, betting, gambling, and crypto-related illicit activity. In terms of reporting frequency, MFS providers submitted 1,247 STRs, compared to 645 STRs from banks, indicating that MFS platforms are the most frequently used channel for suspicious activity. This reflects their widespread accessibility, extensive user base, and suitability for rapid, small-to-medium value transactions.





In contrast, banks dominate in terms of transaction value. Total deposits associated with these cases amounted to BDT 61.442 billion, with banks accounting for BDT 33.163 billion (54.0%) and MFS for BDT 28.278 billion (46.0%). On the withdrawal side, the combined volume was BDT 43.497 billion, of which banks handled BDT 33.213 billion (76.4%), compared to BDT 10.285 billion (23.6%) through MFS. As a result, although banks generated fewer STRs, their aggregate transactional footprint (approximately BDT 66.376 billion) significantly exceeded that of MFS (approximately BDT 38.563 billion).

These patterns indicate a laundering pipeline in which MFS platforms are primarily used for placement and initial layering through numerous small-value/no frills, high-frequency transactions, while banks are used for consolidation, large-value cash-outs, and onward transfers, including potential cross-border movements. While MFS has expanded financial inclusion, its accessibility has also increased exposure to fraud and misuse. The convergence of high-frequency MFS activity with high-value bank-based consolidation underscores the need for coordinated risk-based supervision across both sectors to disrupt these laundering pathways.

From a digital-era perspective, these dynamics are unsurprising but worrying. MFS has democratized access to financial services — a public good — but that same accessibility creates a low-cost attack surface for fraud networks. The combination of high-frequency MFS activity and large-value bank consolidation creates a laundering pipeline: placement through many small MFS deposits or agent-facilitated deposits, rapid peer transfers to avoid single large-value traces, and final consolidation and exit through bank accounts where sums are withdrawn, converted or transmitted at scale.

7.2.6 Regional Insights into Deposits and Withdrawals in Fraudulent Digital Transactions

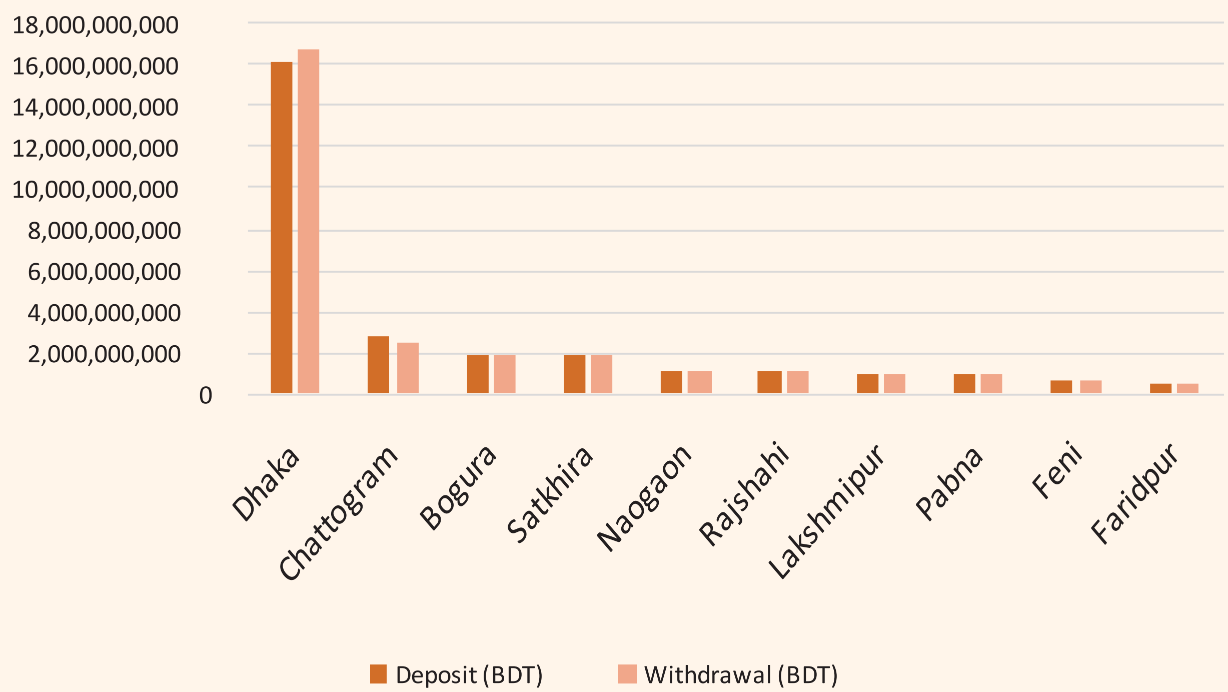
Analysis of the top ten districts by transaction volume highlights a strong geographical concentration of online gaming, betting, gambling, and crypto-related fraudulent activities in Bangladesh. The distribution is highly skewed toward major urban and commercial centers, indicating the emergence of distinct regional hotspots for illicit digital financial activity.

Dhaka dominates the landscape, recording deposits of approximately BDT 16.28 billion and withdrawals of BDT 16.91 billion, accounting for nearly one-third of the total transaction volume among the top districts. This concentration reflects Dhaka's role as the country's primary financial, commercial, and population center, characterized by high digital payment usage, extensive banking access, and a large, tech-aware population. Chattogram ranks second, with deposits of BDT 2.91 billion and withdrawals of BDT 2.61 billion, underscoring its significance as a major commercial and port city with substantial mobile financial service penetration.

Significant activity was also observed in several mid-sized districts, including Bogura, Satkhira, Naogaon, Rajshahi, Lakshmipur, Pabna, Feni, and Faridpur. These patterns demonstrate that digital fraud is not confined to metropolitan areas and is increasingly spreading to semi-urban and regional districts, where growing access to mobile and online payment platforms may outpace financial awareness and consumer protection.

A comparison of deposits and withdrawals reveals a broad, balanced pattern across districts, suggesting rapid fund turnover. In districts such as Satkhira and Naogaon, near-equal deposit and withdrawal volumes indicate swift cycling of funds consistent with placement and immediate layering typologies. In Dhaka, a modest excess of withdrawals over deposits suggests consolidation and onward transfer of funds, potentially for further layering or exit from the financial system.

Graph: Deposits and Withdrawals across Top 10 Districts



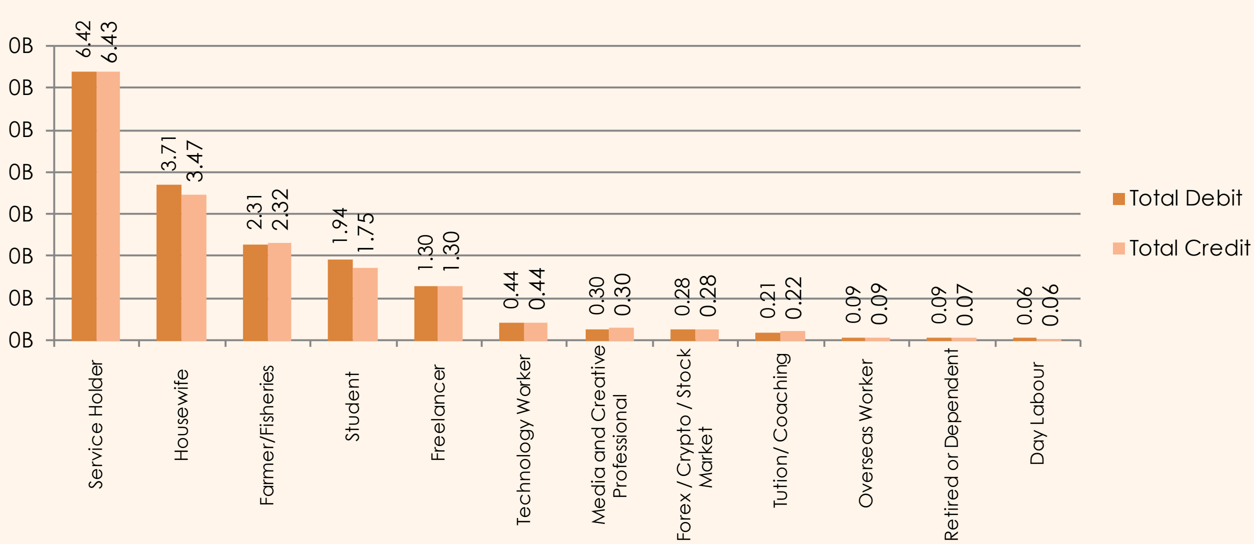
7.2.7 Occupation-wise Transaction Analysis of Individuals Involved in Online Gaming, Betting, Gambling and Crypto-Linked Activities

The occupation-wise distribution of suspicious transactions reveals that online gaming, betting, gambling and crypto-related activities have penetrated deeply into Bangladesh's general population. Service holders account for the highest transaction volume, with over BDT 6.41 billion in debit and BDT 6.42 billion in credit, indicating that salaried individuals with stable incomes are increasingly engaging in such prohibited digital platforms. Housewives, farmers, fishermen, and students also show surprisingly high levels of involvement—together contributing over BDT 7.9 billion in related transactions. This demonstrates that these activities have spread from urban salaried groups to households, rural communities and youth, revealing widespread misuse of personal savings, remittances and MFS channels.

Notably, freelancers, technology workers, and creative/media professionals—who are more digitally active—show substantial involvement, collectively handling over BDT 2.03 billion in suspicious fund flows. Their engagement indicates that tech-savvy populations are not only exposed to crypto-based scams but may also attempting to profit through offshore betting and unregulated trading platforms. Even more concerning is the involvement of lower-income groups such as day labourers, tuition/coaching earners, retired persons and dependents. Despite having limited financial capacity, these groups collectively transacted hundreds of millions of taka, suggesting vulnerability to fraudulent schemes, addiction-driven transactions, or the use of their accounts by others.

Overall, the data clearly shows that individuals from diverse and unrelated professions are participating in online gaming, betting, gambling and crypto transactions, reflecting a rapidly expanding and socially pervasive trend. The widespread involvement across income levels and occupations indicates a growing national risk, where illegal digital platforms are influencing financial behavior, promoting addictive spending patterns, and facilitating cross-border fund transfers.

Graph: Major Contribution in Online Gaming, Betting, Gambling and Crypto Transactions Based on Occupations



7.2.8 Case Studies

7.2.8.1 Case Study 01:

A bank submitted a STR concerning unusual activity in a business account. Subsequent analysis by BFIU identified transactions linked to online gaming and betting operations.

The account was held by a proprietorship entity operating under the name "M Shop," which was declared as a small retail business but functioned as a front company. Over one year, approximately BDT 530.00 million was deposited into two accounts held by the entity and its proprietor—volumes inconsistent with the stated nature of the business.

Further analysis revealed that the funds originated from 602 mobile financial service (MFS) accounts used to collect proceeds from 89 online gaming and betting websites, including platforms such as Babu88 and 1xbet. The collected funds were subsequently transferred through mobile transaction applications and other electronic channels to 25 suspicious business accounts across multiple banks.

The transaction pattern indicated the existence of a broader network engaged in online gaming and betting, using front entities and layered fund transfers to conceal the origin of illicit proceeds. BFIU prepared and disseminated an intelligence report to the relevant law enforcement agency for further investigation and action.

7.2.8.2 Case Study 02:

A Suspicious Transaction Report (STR) was submitted by "Bank C" for having a complaint of depositing fraudulent money into five accounts-BFIU then started to analyze the STR and found suspicious transactions in the account related to online Gaming-Betting, Hundi and illegal business. As details in below-"Mr. Yamin," an employee of "Bank C," was deceived by a group of people and deposited about BDT 5.20 million to 05 bank accounts of "Bank C". As the money was deposited into the bank account, the money was rapidly transferred to the 25 fictitious accounts that were maintained in "Bank C". Primarily, BFIU identified 03 suspected persons who were the ultimate beneficial owners of these 25 fictitious accounts.

Transaction Analysis revealed the following facts-

- Suspected "Mr. Hira" had 02 business accounts and a personal savings account where BDT 1430.00 million was deposited in two years. The business accounts were in the name of a fictitious entity that had no existence in reality. Bank accounts were opened through e-KYC. Transacted money was related to luggage Party, Online gaming and betting, cryptocurrency encashment, Crypto buying and selling, foreign currency (Fx) trading through Binance and other online platforms, gold smuggling, Hundi business, etc.
- Suspected "Mr. Juel" had a business entity called "M cosmetics" in the remote area of the country. About BDT 370.00 million was deposited into the business account of the entity. Analysis unveiled that the business entity was actually a front business entity. Transacted money was from different parts of the country, which were mainly defrauded, Hundi, gaming and betting related money.

- As like the mentioned transactions, about 320 bank accounts' transactions were analyzed and found that A group of People engaged in online gaming and betting business through front companies, collect money through MFS account using them in weblinks of the gaming and betting sites, then transferred the collected fund to the bank accounts and very quickly disbursed it to different beneficiaries through Internet Banking, RTGs or fund transfer.

An intelligence Report was prepared and disseminated to the respective Law Enforcement Agency.

7.2.9 Recommendations

- Introduce and expand the use of artificial intelligence–based monitoring tools by mobile financial service (MFS) providers to detect transactions linked to online gaming, betting, and such types of activities.
- Strengthen due diligence and monitoring of low-profile/no frill but high-volume accounts, including those associated with farmers, students, housewives, freelancers, marketing staff, small businesses, and IT-related activities.
- Apply targeted monitoring to online banking channels such as BEFTN, RTGS, and NPSB, with particular focus on washout-type accounts.
- Implement community-level fraud awareness programs in rural and semi-urban districts with high MFS usage.
- Banks and MFS providers should strengthen KYC and transaction monitoring to better detect and report fund movements within suspects' account networks.

7.3 Corruption-Induced Money Laundering in Bangladesh

7.3.1 Introduction: Global Context

Corruption and money laundering are interconnected crimes that significantly impact economic development, encourage transnational criminal networks and destabilize governance (FATF, 2009). According to a World Bank report (2010), developing countries are disproportionately affected, losing an estimated USD 20–40 billion annually to corruption. The United Nations (2018) estimated the global cost of corruption at USD 2.6 trillion, or about 5% of global GDP.

Illicit proceeds are frequently transferred to foreign jurisdictions with weaker oversight. Transparency International (2024) reported that over USD 3.7 billion in corruption-linked assets have flowed into developed countries. Bangladesh mirrors this global trend, with the 2024 White Paper on the Economy of Bangladesh estimating that hundreds of billions of dollars were illicitly transferred abroad over the past 15 years.

7.3.2 Corruption Landscape in Bangladesh

Transparency International Bangladesh (TIB, 2024) reported that 70.9% of households experienced corruption, with an estimated BDT 1,462.52 billion paid in bribes over the last 15 years. While petty corruption remains widespread, grand corruption, particularly in banking, public procurement and infrastructure projects—has intensified.

TIB's 2023 UNCAC implementation review identified persistent enforcement gaps, while Finance Asia (2024) highlighted corruption linked to bank loan scams, illicit financial outflows, inflated project costs, non-competitive tenders, nepotism and illegal asset acquisition.

7.3.3 Corruption, Money Laundering and Capital Flight

Corruption and bribery are among the principal predicate offences for money laundering in Bangladesh, as identified in the National Strategy for Prevention of Money Laundering and Combating Financing of Terrorism (2019–2021), the National Risk Assessment and the 2016 Mutual Evaluation Report by the Asia Pacific Group on Money Laundering.

Illicitly acquired assets are often transferred abroad to avoid domestic scrutiny and asset confiscation. Weak institutional controls and limited enforcement have facilitated significant capital flight, much of it linked to irregularities in the banking sector.

Given the scale and economic impact of corruption-induced money laundering, preventing illicit financial flows and recovering stolen assets have become key priorities for the current Government. The Bangladesh Financial Intelligence Unit (BFIU), as the central anti-money laundering authority, has strengthened its enforcement efforts.

7.3.4 Scope and Objectives

This report examines corruption-driven money laundering in Bangladesh over the past 15 years, focusing on key patterns, actors and mechanisms facilitating illicit asset transfers. It also reviews recent government initiatives aimed at recovering misappropriated assets domestically and internationally, while assessing the broader economic impact of capital flight.

Figure 1: Year-wise Forex Reserve of Bangladesh (Source: Bangladesh Bank)

***data up to March of Financial Year 2024-2025**

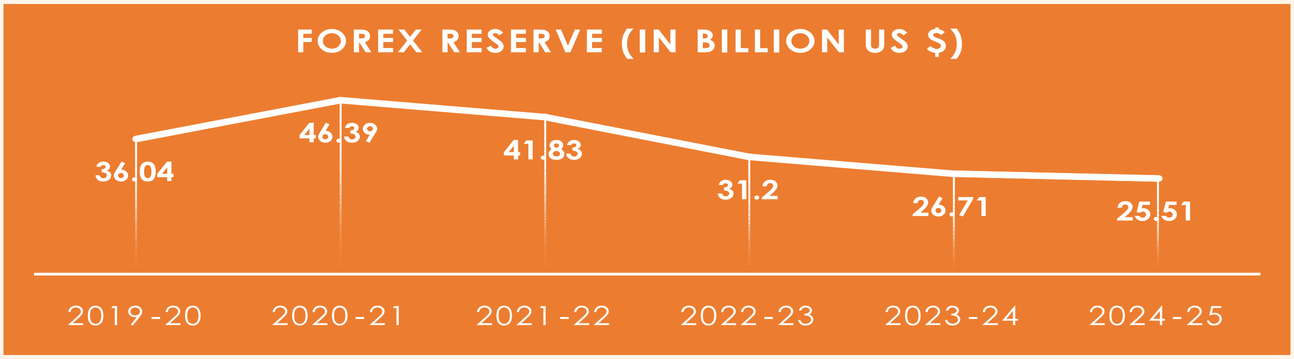


Figure-2

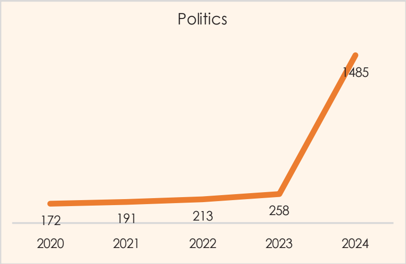


Figure-3

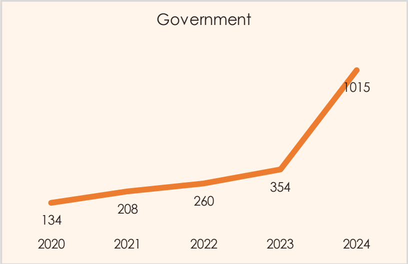
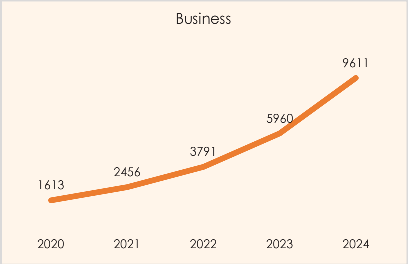


Figure-4



7.3.5. Analysis of STR/SAR Trends Related to Corruption (2020–2024)

BFIU has been actively engaged in preventing money laundering arising from corruption, alongside other predicate offences. As part of its core responsibilities, BFIU regularly receives Suspicious Transaction Reports (STRs) and Suspicious Activity Reports (SARs) from various reporting entities. Among these, a significant and growing portion pertains to corruption-related activities.

A quantitative analysis of STR/SAR submissions from 2020 to 2024 reveals a consistent increase in reports related to three key categories of corruption: (i) corruption involving politically exposed persons (PEPs), (figure-2) (ii) misuse of government power (figure-3) and (iii) corruption by business entities (figure-4). The most notable escalation occurred in 2024, particularly following the fall of the previous political regime.

These figures reveal two key insights:

7.3.5.1 Rising Trend Across All Sectors (2020–2023):

There has been a steady increase in STR/SAR submissions across all three categories over the years. This trend indicates a rising incidence of corruption-related transactions over the years.

7.3.5.2 Dramatic Surge in 2024:

The year 2024 witnessed an unprecedented spike in STR/SAR submissions compared to 2023:

- The political sector increased by approximately 475%.
- The government sector rose by around 186%.
- The business sector saw a 61% increase, maintaining its position as the highest contributor overall in Number

The dramatic rise in 2024 coincided with the fall of the last political regime. During previous years, many instances of corruption, particularly those involving politically exposed or state-backed individuals, went unreported, as reporting entities lacked the independence or assurance necessary to disclose such sensitive information. The shift in the political landscape in mid-2024 appears to have empowered institutions to report more freely.

7.3.6 Quarterly Analysis of Corruption-Related STRs/SARs (Q1 2024 – Q1 2025)

To further contextualize this surge, a quarterly breakdown of corruption-related STRs/SARs from January 2024 to March 2025 is presented below. This analysis categorizes reports into three sectors—Politics, Government and Business—and provides insight into the evolving reporting dynamics over this period.

Table 1: Quarterly Breakdown of Corruption-Related STRs/SARs

Quarter	Total	Change	Politics	Govt	Business
2024 - Q1	1591	-	72	84	1435
2024 - Q2	1880	18.16%	117	117	1646
2024 - Q3	3491	85.69%	679	404	2408
2024 - Q4	5199	48.93%	622	412	4165
2025 - Q1	3822	-26.49%	373	270	3179

7.3.7 Key Observations of The Above Analysis

Gradual Rise Followed by Sudden Surge:

- During Q1 and Q2 of 2024, reporting remained relatively moderate, with a total of 3,471 STRs/SARs.
- From Q3 onward, there was a dramatic escalation—peaking in Q4 with 5,199 reports, marking a 49% increase from Q3 and over three times the number recorded in Q1.

7.3.8 Political Transition as a Catalyst:

The significant increase in STR/SAR submissions following the change in government in August 2024 highlights the transformative impact of political transitions on anti-corruption vigilance. This shift appears to have acted as a catalyst, enabling reporting entities to operate with greater freedom and confidence, particularly in submitting reports involving politically exposed persons (PEPs)/Influential Persons (IPs). The surge in reporting during Q3 and Q4 of 2024 correlates directly with the post-election period, suggesting that institutional or contextual factors under the previous administration may have inhibited reporting. In the new political climate, it is likely that previously withheld or discouraged STRs/SARs—including a possible backlog of cases—were submitted as political barriers diminished. Overall, the post-transition environment fostered a more open and enabling atmosphere for entities to report corruption-related concerns.

7.3.9 Mechanisms of Corruption-Induced Money Laundering in Bangladesh

In Bangladesh, several mechanisms have been used to launder proceeds of corruption and transfer illicit assets abroad. These range from traditional embezzlement techniques to sophisticated corporate and financial manipulations. Common methods include the misuse of bank funds, bond embezzlement, abuse of public office and manipulation of institutional controls. In many cases, these mechanisms facilitated the accumulation of illicit wealth and its subsequent transfer to developed and tax havens. The following case study illustrates how such mechanisms were employed in one of the most significant financial scandals in Bangladesh's history.

7.3.10 Abuse of the Banking System

The banking system in Bangladesh has been the primary victim of large-scale corruption and money laundering over the past 15 years. According to BFIU analysis, Bangladesh witnessed one of the largest bank scams in the world. Fraudulent loans, regulatory violations, abuse of political power and systemic manipulation of banking structures have been at the core of this abuse. Funds embezzled through these channels were subsequently laundered and moved abroad.

7.3.10.1 Case Study 1: Takeover of Banks and Embezzlement

The case of the "S" business group highlights a deeply rooted scheme of institutional corruption and financial misconduct. The group orchestrated a widespread network of irregularities, regulatory violations and fraudulent loan activities, all enabled by strong political backing.

Seizing Control of Financial Institutions:

The "S" Group strategically took control of multiple banks and financial institutions. By placing close family members and loyal affiliates on the boards of directors, the group effectively gained control over decision-making processes. They even took over the largest private commercial bank in the country, allegedly using the influence of a government agency and high-level political connections. With this control, the group was able to manipulate internal systems and approve loans for themselves and their associates by passing regulatory scrutiny.

The following table illustrates the extent of their influence over several institutions:

Table 2: S Group's Control over Financial Institutions

Bank/Finance Company Name	Total Director Share	S Group's Director Share	S Group's Control
i	**ii**	**iii**	**iii/ii**
A	35.50%	30.55%	86.06%
B	24.24%	24.24%	100.00%
C	54.04%	52.27%	96.72%
D	30.70%	30.70%	100.00%
E	26.18%	26.18%	100.00%
F	100.00%	41.65%	41.65%
G	36.65%	13.42%	36.63%
X	100.00%	100.00%	100.00%

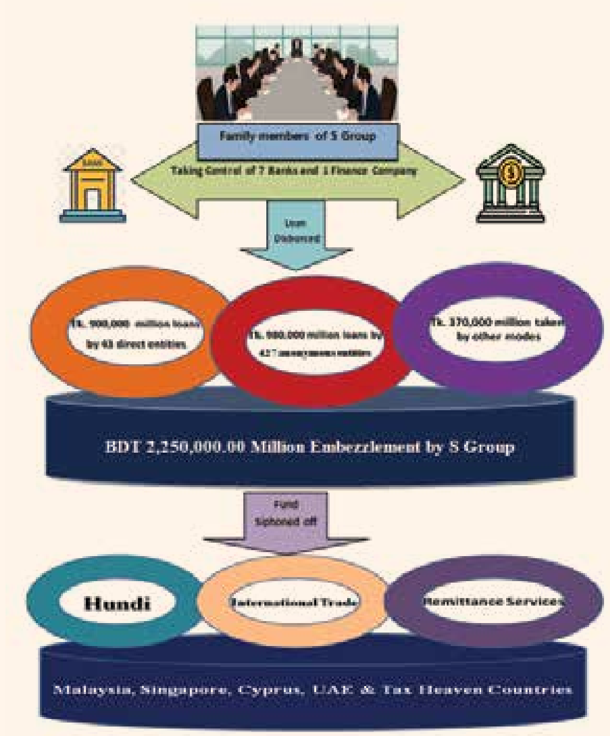
Loan Embezzlement and Shell Companies:

Once the group had full control of these institutions, they orchestrated large-scale loan disbursements through both legitimate and fictitious business entities. These loans were sanctioned with minimal due diligence, often against undervalued or insufficient collateral. The group is estimated to have taken loans amounting to BDT 2,250 billion, backed by collateral valued at only BDT 320 billion. This gross disparity highlights the scale of systemic failure in credit risk assessment and internal banking controls.

Laundering and Transfer of Funds Abroad:

Evidence indicates that the embezzled funds were moved abroad through complex laundering schemes involving foreign business entities, trust accounts and informal money transfer systems like Hundi. The S Group reportedly owns assets in countries such as Singapore, Malaysia, Cyprus and the UAE and has links to various offshore jurisdictions known for relaxed financial oversight. Additionally, the group's key figures hold citizenship in three different countries, further complicating legal recovery processes. Their foreign ventures likely served as conduits for laundering illicit funds through international trade, hundi and cross-border remittance services.

Figure 5: Embezzlement of Funds through taking over banks



7.3.10.2 Case Study 2: Embezzlement of Funds through Bond Issuance

Mr. R, a high-profile businessman in Bangladesh, has held multiple influential roles, including Member of Parliament (MP), cabinet advisor to the Government and founder of the "B" business group. His name has appeared in international financial scandals, such as the Panama Papers (2016) and Paradise Papers (2017), revealing his ownership of offshore assets. Mr. R has faced numerous allegations, including corruption, loan default, stock market manipulation, money laundering, misuse of COVID-19 vaccine allocations, land grabbing and influencing government policies for personal gain—allegations made possible by his close ties to the previous political regime.

Raising Funds through Bonds:

Mr. R was the mastermind behind two major bond initiatives—X Bond and Y Bond—supposedly launched to finance development projects in renewable energy and real estate. The X Bond, a solar energy project intended to supply electricity to the national grid, with a government finance company serving as the trustee. The Y Bond, on the other hand, was associated with a city development project. To embezzle the funds raised through these bonds, multiple paper-based entities were created to give the illusion of legitimate disbursement.

Diversion of Funds:

The funds raised through these bonds were initially deposited into a trust account and then transferred to associated institutions for project implementation. However, transaction reviews revealed that most of the funds were diverted through complex layering techniques to Mr. R's affiliated entities. A significant portion of the money was used to pay off loan installments, including debts incurred through imports, exports and government COVID-19 relief programs. Some of the funds were withdrawn in cash, a portion was invested in the capital market and only a token amount was returned to bondholders as interest. Ultimately, the proceeds were never used for the intended development purposes.

Figure 6: Embezzlement of Bond

State-Sponsored Corruption and Laundering:

The case of Mr. R illustrates a broader issue in Bangladesh—state-enabled money laundering. In several instances, key actors within the government or closely aligned with political power have facilitated or overlooked large-scale financial crimes. This trend of corruption has led to vast illicit capital outflows, weakening the economy and eroding public trust in institutions.

7.3.10.3 Case Study 3: Corporate Mechanisms of Corruption and Offshore Laundering

The SM Group case presents one of the most complex and sophisticated examples of corporate-led corruption and international money laundering in Bangladesh. Mr. A, the chairman of SM Group and brother of a long-serving Member of Parliament and Minister, leveraged political influence and corporate opacity to siphon significant assets abroad under the guise of legitimate business expansion.

Manipulation through Corporate Structures:

In 2016, Mr. A's Singapore-based company, S Int., acquired 99.99% of the shares in SC BD, a Bangladeshi company owned by Mr. A. Then Mr. A reinvested the proceeds into SC BD using preference shares held in his and his family members' names. These shares made up nearly 50% of the company's total equity but carried no dividend, voting, or financial rights. This arrangement enabled Mr. A to legally transfer all corporate dividends to Singapore—an estimated BDT 15.00 billion—while ensuring that the corresponding value did not remain in Bangladesh.

Furthermore, S Int. (Singapore) and its subsidiaries maintained a highly opaque ownership structure, making it difficult to trace the ultimate beneficial owners. BFIU analysis also uncovered widespread over-invoicing in large-scale imports from several Singapore-based firms controlled by Mr. A, indicating trade-based money laundering.

Assets and Foreign Holdings:

BFIU found that Mr. A and his daughter owned 15 companies in Singapore and one in the British Virgin Islands, with additional funds in Luxembourg. Despite having no major business activities in Singapore, Mr. A has emerged as one of its wealthiest individuals in Singapore. His financial empire appears to be built on corporate manipulation and illicit gains, supported by state-enabled impunity.

A tiny Singaporean company established by Mr. A, with only USD 7,500 in paid-up capital, managed to receive more than USD 170 million in investments from international investors. Such investments raise serious questions about due diligence and the extent of Mr. A's global influence.

Capital Market Manipulation and Political Patronage:

SM Group is also suspected of manipulating the capital market by overvaluing shares during the IPO of a subsidiary, a move allegedly facilitated through political influence. The group secured several large-scale government contracts without competitive bidding, which included guaranteed payments like capacity charges. These deals generated enormous revenue, a portion of which is suspected to have been laundered abroad.

7.3.11 Public Servants and Institutional Corruption

Corruption and capital flight in Bangladesh have not been limited to political elites or private sector actors—bureaucrats and civil servants have also played significant roles. Many used their official authority to engage in grand corruption and illicit wealth accumulation, often protected by their institutional positions.

7.3.11.1 Case Study 4: Corruption and Money Laundering Allegations against Former Top Government Official

Corruption during the previous regime of Bangladesh permeated all levels of public service—from peons to the highest-ranking officials. Among the most sensational cases is that of Mr. B, who served as a top official from April 2020 to September 2022. Before this, he held powerful roles in different divisions of that agency. Allegations indicate that during his tenure, Mr. B abused his position to amass a vast fortune, both domestically and abroad.

Allegations and Investigations:

In early 2024, investigative media reports exposed Mr. B's accumulation of wealth, including ownership of luxury resorts and hotels. The Anti-Corruption Commission (ACC) launched an inquiry and discovered that Mr. B and his family acquired at least 204.5 acres of land between 2009 and 2023—112 acres during his time as chief. The ACC subsequently filed three cases against Mr. B and his family for illicit asset accumulation and concealing wealth. Another case was filed under money laundering charges, involving BDT 113.4 million.

Following the reports, BFIU conducted a financial analysis and identified nine entities linked to Mr. B and his family. Bank records showed transactions involving hundreds of millions of BDT. BFIU also uncovered substantial foreign assets in Malaysia and Singapore and residential and commercial properties in the USA and UAE. As Mr. B had no legal overseas income sources, these assets are presumed to have been acquired through laundered funds.

After the revelations, Mr. B fled the country. In response, INTERPOL issued a Red Notice for his arrest. His case serves as a stark example of high-level abuse of power within law enforcement institutions and reflects the scale of impunity enjoyed by some top public servants in Bangladesh.

7.3.12 Politicians and Money Laundering

The nexus between political power and illicit financial activity is a recurring theme in Bangladesh's corruption landscape. Several high-ranking politicians have been implicated in schemes involving corruption.

7.3.12.1 Case Study 5: Political Power and Siphoning Assets Abroad

Mr. C, a former minister of Bangladesh, is accused of engaging in a sophisticated scheme of transnational financial misconduct. Despite lacking any significant industrial ownership either domestically or internationally, Mr. C reportedly accumulated substantial foreign assets. His network of front organizations, suspicious banking activity and state influence highlights a textbook example of politically enabled cross-border money laundering.

Key Allegations and Findings

BFIU uncovered that Mr. C and his close associates established multiple offshore entities—such as Z Trading and R Raptor—in UAE free zones. These entities had no known business operations but were used to channel illicit funds. During his tenure in office (2018–2023), Mr. C allegedly acquired more than 200 properties in Dubai worth approximately USD 91.3 million, without any declaration and violating domestic law.

Additionally, Mr. C and his wife jointly own seven UK-based real estate companies, including Z Properties Ltd, with a declared net worth of around £73 million (approx. BDT 10.25 billion). These investments also lacked records of legitimate foreign currency transfers.

Banking records indicate that Mr. C maintained accounts with several Banks, processing transactions of more than AED 12 million. These accounts showed some indicators of money laundering, also.

Moreover, over BDT 11 billion in loans were issued to shell companies and proxies linked to Mr. C, many of which defaulted and were later rescheduled to avoid scrutiny. These proceeds were laundered through real estate investments abroad, further amplifying the misuse of public and private capital.

It highlights how political access can facilitate the construction of financial facades — such as shell corporations and proxy-owned entities — to divert public and private capital into offshore assets.

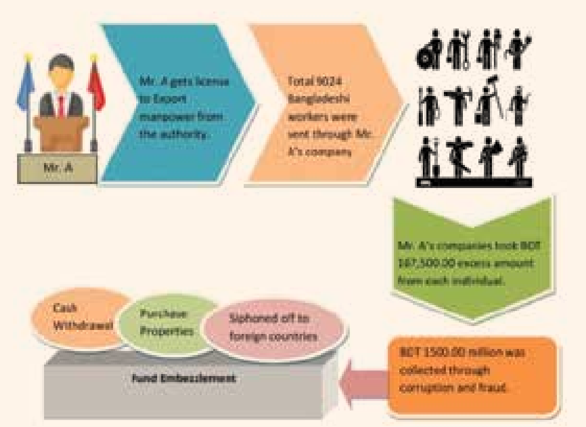
7.3.12.2 Case Study 6: Defrauding Expatriate Workers – Embezzlement by a Former Minister

Another example of politically fueled corruption involves Mr. A, a former Member of Parliament and minister. During his time in office, Mr. A and his family set up multiple businesses that received inflated government contracts. Notably, one of these businesses was licensed to export manpower to Malaysia.

Bangladesh, being a major labor-exporting country, has a MoU with Malaysia stipulating a cost of BDT 78,990.00 per worker for legal migration. Mr. A's companies, owned by his wife and daughter, collected BDT 167,500.00 per person—more than double the legal amount—exploiting 9,024 workers. This scheme resulted in the embezzlement of an estimated BDT 1,500 million.

The illegally collected funds were funneled through accounts beneficially owned by Mr. A and subsequently used for cash withdrawals, stock market investments and real estate purchases. This case highlights how political influence was weaponized to exploit vulnerable populations and launder the proceeds under the guise of overseas employment.

Figure 7: Embezzlement by Defrauding Expatriate Workers



7.3.13 Broader Patterns of Illicit Financial Flows

Beyond these high-profile cases, hundreds of others have been unearthed by BFIU, revealing systemic corruption and widespread laundering of illicit wealth. The primary channels used include trade-based money laundering (TBML) and informal remittance systems such as Hundi or Hawala. Given Bangladesh's global position as a top garment exporter and the significant number of overseas workers, these channels remain the most exploited.

Investigative reports have linked dozens of politically exposed persons (PEPs) and business elites to foreign assets in the USA, UK, Canada, Singapore, Malaysia, the UAE and offshore jurisdictions such as Jersey, the Cayman Islands and the Commonwealth of Dominica. One infamous example is "Begum Para" in Canada—a neighborhood believed to house the families of Bangladeshi politicians and bureaucrats, funded largely through laundered wealth.

7.4 Conclusion

Over the past decades—and particularly in the last 15 years—corruption-induced money laundering in Bangladesh has flourished, driven by weak institutional oversight, entrenched political patronage and systemic exploitation of the financial system. High-level involvement of politicians, public servants and business elites has enabled the siphoning of billions of dollars to foreign jurisdictions, depriving the country of resources vital for development.

Combating these challenges demands a coordinated national and international response, including robust legislative reforms, stricter enforcement of anti-money laundering laws and an unwavering commitment to transparency and accountability. Only by addressing these systemic vulnerabilities can Bangladesh safeguard its financial integrity and ensure a more just, inclusive and sustainable economic future.

08

Stolen Asset Recovery

08

Stolen Asset Recovery: Scope and Initiatives

Illicit financial flows (IFF) and money laundering (ML) pose serious threats to financial integrity, economic stability, and public trust. For a developing economy such as Bangladesh—where financial systems are expanding rapidly amid increasing global integration—the challenge is twofold: preventing illicit financial flows and recovering assets laundered abroad.

Recognizing the gravity of these risks, Bangladesh has prioritized Stolen Asset Recovery (StAR) as a key pillar of its Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) strategy. This priority reflects the country's commitment to Chapter V of the United Nations Convention against Corruption (UNCAC), which establishes asset recovery as a fundamental principle of international cooperation. In this context, the inter-agency Task Force on Stolen Asset Recovery and Management has been reconstituted, with the Bangladesh Financial Intelligence Unit (BFIU) playing a central coordinating role.

The 11-member Task Force, chaired by the Governor of Bangladesh Bank, has undertaken a range of initiatives, including identification of major money laundering cases, formation of Joint Investigation Teams (JITs), engagement in mutual legal assistance (MLA) processes, and the strengthening of international cooperation through formal protocols with foreign partners. These coordinated efforts—spanning intelligence development, joint investigations, and international collaboration—aim to trace, freeze, and recover assets illicitly transferred from Bangladesh, thereby reinforcing financial integrity and strengthening public confidence in the country's governance and financial systems.

8.1 Common Patterns and Methods of Money Laundering

In developing economies, Trade-Based Money Laundering (TBML) remains one of the most prevalent methods of illicit capital flight. In Bangladesh, misinvoicing of imports and exports—particularly involving commodities, raw materials, and capital machinery—has been a principal channel for illicit outflows. These practices are often combined with false declarations of service payments, over- and under-invoicing, and roundtripping of funds through offshore entities. Research by Global Financial Integrity (GFI) has consistently identified Bangladesh among the world's largest sources of trade misinvoicing. Between 2005 and 2014, unrecorded capital outflows were estimated at over USD 61 billion, with approximately 92% attributed to trade misinvoicing, highlighting systemic vulnerabilities in trade channels.

11 Joint Investigation Teams (JITs), leading to

- 85 FIRs,
- 09 charge sheets,
- 19 MLARs,
- 08 Interpol Red Notices, and
- Major asset freezes

IACCC trained 60+ JIT officers Cooperation Protocols signed with IACCC and ICAR

Another increasingly prominent typology observed in recent years is Credit-Based Money Laundering (CBML). Under this model—often referred to as a carousel borrowing scheme—loans extended to corporate groups or business conglomerates through collusion, inflated project costs, or politically influenced lending are subsequently siphoned abroad. Funds are transferred across jurisdictions through inter-company loans, trade misinvoicing, fictitious import settlements, or underground value transfer systems such as hundi or hawala. According to published data of Bangladesh Bank, total non-performing loans (NPLs) stood at BDT 4,203.34 billion as of 30 June 2025. Analysis suggests that a significant portion of large defaulted loans—particularly those linked to politically connected borrowers and major business groups—may have been embezzled and laundered abroad.

Figure: Sample Diagram of Carousel Borrowing Scheme

In parallel, informal mechanisms such as hundi/hawala networks, bulk cash smuggling, and the integration of illicit proceeds into domestic real estate and foreign property markets continue to facilitate laundering. In recent years, cyber-enabled fraud, digital payment platforms, and cross-border fintech channels have added new layers of complexity, increasing the speed and anonymity of illicit flows. Investigative and media reports frequently cite overseas assets held by Bangladeshi individuals and entities—including properties, bank deposits, and secondary residences in advanced and offshore jurisdictions—as destinations of illicitly transferred wealth. In some cases, citizenship-by-investment and long-term residence schemes have been exploited to legitimize and conceal such foreign asset holdings. These evolving patterns underscore the need for strengthened regulatory oversight, inter-agency coordination, and advanced analytical capabilities to effectively address modern money laundering risks.

8.2 Impacts of Money Laundering

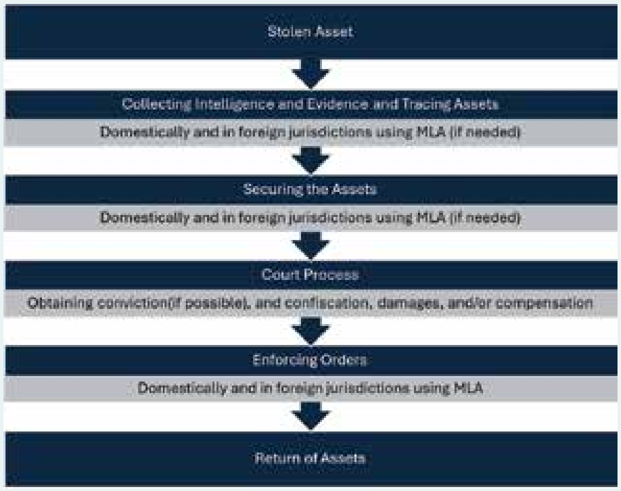
The outflow of stolen assets causes significant and long-term damage to Bangladesh's fiscal sustainability and development prospects. Funds diverted from public investment, procurement, or politically influenced lending reduce resources available for education, healthcare, and infrastructure, constraining inclusive growth and increasing reliance on external borrowing. At the same time, illicit proceeds are often reintegrated into speculative sectors such as luxury real estate and urban land markets, distorting asset prices and exacerbating socioeconomic inequality.

The concealment of illicit assets through shell companies, trade misinvoicing, and offshore transfers also undermines confidence in regulatory and enforcement institutions. Challenges such as limited inter-agency coordination, the absence of automatic information exchange mechanisms, and the complexity of tracing cross-border transactions weaken enforcement capacity. Consequently, the economy faces a dual impact: depletion of legitimate capital and the expansion of a shadow financial system that incentivizes corruption and erodes market integrity.

At the international level, the persistence of unrecovered assets exposes Bangladesh to increased scrutiny from bodies such as the Financial Action Task Force (FATF) and the Asia/Pacific Group on Money Laundering (APG), while also affecting correspondent banking relationships. Moreover, stolen assets often intersect with transnational organized crime networks, heightening risks to national security, financial integrity, and the country's international reputation.

8.3 Asset Recovery Framework and Key Processes

Recovering the proceeds of crime is a central pillar of efforts to combat money laundering and terrorist financing, aimed at depriving criminals of illicit financial gains. In Bangladesh, the legal basis for asset recovery is established through a range of sectoral laws, including anti-money laundering, anti-corruption, and narcotics control legislation. In recent years, reforms have been driven by international obligations to align domestic frameworks with the best global practices. International standards require that proceeds of crime, whether tangible or intangible, remain traceable and recoverable, including from third parties and through international cooperation.



In this context, the Bangladesh Financial Intelligence Unit (BFIU) has strengthened its asset recovery mechanisms in line with the FATF Recommendations, particularly Recommendations 4 and 38, together with their Interpretive Notes and related best-practice guidance.

I. Identification and Tracing of Assets

Effective identification and tracing of illicit assets remain major challenges, as offenders frequently use nominees, shell companies, and complex financial structures to conceal ownership. BFIU, in collaboration with law enforcement and investigative agencies, emphasizes inter-agency cooperation, financial investigation capacity building, and the use of digital forensic tools, databases, and open-source intelligence. Accurate complaints, intelligence reports, and primary information significantly enhance tracing efforts. Bangladesh is also exploring the feasibility of non-conviction-based (NCB) confiscation to address cases where prosecutions are delayed or offenders abscond.

II. Freezing and Seizure of Assets

Timely freezing or seizure of assets is essential when there is a risk of illicit use or transfer. For assets held abroad, freezing is pursued through court orders, competent authority directives, or international cooperation mechanisms such as mutual legal assistance (MLA) and Letters Rogatory, subject to the legal requirements of the requested jurisdiction.

III. Investigation and Coordination

Effective asset recovery requires a comprehensive national coordination mechanism defining clear roles and responsibilities across agencies. This includes structured intelligence sharing, access to domestic and foreign information through legal channels, and the use of bilateral and multilateral cooperation frameworks. Periodic review of coordination mechanisms is essential to ensure effectiveness.

IV. International and Judicial Cooperation

International cooperation is critical at all stages of asset recovery, from intelligence exchange and asset tracing to freezing and repatriation. Establishing dedicated focal points for international cooperation enhances responsiveness. Judicial cooperation plays a decisive role, as foreign asset recovery depends on legal procedures, evidentiary standards, protection of third-party rights, and enforceable court orders in the requested jurisdiction.

V. Mutual Legal Assistance

MLA remains a cornerstone of asset recovery, enabling evidence gathering, execution of restraint and confiscation orders, and repatriation of assets. Effective MLA frameworks require clear legal authority, timely execution, procedural guidance from requested countries, and—where possible—provisions allowing NCB confiscation and simplified procedures.

VI. Recovery and Asset Management

The ultimate objective of asset recovery is the confiscation and return of proceeds of crime. While conviction-based confiscation remains the primary mechanism, NCB confiscation is increasingly important where convictions are not feasible. Effective recovery requires enabling legal frameworks, court processes, and mechanisms for managing, disposing of, and repatriating recovered assets in accordance with national laws and international standards.

8.4 Bangladesh: Legal Frameworks

Bangladesh is a party to three key United Nations conventions—the United Nations Convention against Corruption (UNCAC), the Vienna Convention, and the Palermo Convention—all of which underscore international cooperation as a central mechanism for combating money laundering and recovering illicitly transferred assets. These instruments provide the legal basis for asset tracing, freezing, confiscation, and return across jurisdictions.

In support of these commitments, Bangladesh has entered into bilateral agreements with several countries to prevent money laundering and facilitate asset recovery. In addition, even in the absence of bilateral treaties, Bangladesh may seek mutual legal assistance in criminal matters under the domestic legal provisions of the requested jurisdictions. Accordingly, Bangladesh retains the legal right to request and provide mutual legal assistance for investigation, prosecution, and asset recovery purposes.

To give effect to these international obligations and strengthen domestic capacity for preventing money laundering and recovering proceeds of crime, Bangladesh has enacted a comprehensive set of laws and legal frameworks, as outlined below:

Money Laundering Prevention Act, 2012	Money Laundering Prevention Rules, 2019
Anti-corruption Commission Act, 2004	Anti-corruption Commission Rules, 2004
Mutual Legal Assistance in Criminal Matters Act, 2012	Mutual Legal Assistance in Criminal Matters Rules, 2013
Extradition Act, 1974	

8.4.1 Establishment of the Inter-Agency Task Force on Stolen Asset Recovery and Management (StAR)

The Ministry of Finance (MoF) initially constituted a high-level Inter-Agency Task Force on Stolen Asset Recovery and Management in 2007 through an official circular, with the Bangladesh Bank Governor as Chair, to facilitate the recovery of assets illicitly transferred abroad. At that time, the then Anti-Money Laundering Department of Bangladesh Bank was entrusted with secretarial responsibilities.

Over the years, the Task Force underwent several reforms through amendments issued by the Financial Institutions Division of the Ministry of Finance to strengthen its legal and operational mandate. Most recently, the Financial Institutions Division issued Circular No. 53.00.0000.311.40.003.17-126 dated 29 September 2024 and Circular No. 53.00.0000.311.40.003.17-270 dated 15 June 2025, restructuring the Task Force in line with the current government's commitment to recover smuggled assets from abroad.

Under the revised framework, the Governor of Bangladesh Bank serves as Chair of the Task Force, while the Head of the Bangladesh Financial Intelligence Unit (BFIU) acts as Coordinator. BFIU has also been designated to provide secretarial support.

The key functions of the Task Force include:

a) Assisting competent authorities in identifying and investigating assets siphoned off from Bangladesh;

b) Identifying legal and procedural bottlenecks to expedite asset recovery proceedings;

c) Initiating measures to trace, recover, and repatriate stolen assets;

d) Overseeing the management of seized or recovered assets;

e) Coordinating with foreign jurisdictions and international organizations for information exchange; and

f) Strengthening inter-agency coordination and capacity for effective asset recovery.

8.4.2 Formation of Joint Investigation Teams (JITs)

Pursuant to section 9(1) of the Money Laundering Prevention Act (MLPA), 2012 and rule 54 of the Money Laundering Prevention Rules (MLPR), 2019, 11 Joint Investigation Teams (JITs) have been constituted to investigate 11 priority money laundering cases identified by the Inter-Agency Task Force on Stolen Asset Recovery and Management (StAR). Each JIT is led by a nominated officer from the Anti-Corruption Commission (ACC), with participation from the Criminal Investigation Department (CID) of Bangladesh Police, the Customs Intelligence and Investigation Directorate (CIID), and the National Board of Revenue (NBR) through its Central Intelligence Cell (CIC). The Bangladesh Financial Intelligence Unit (BFIU) provides financial intelligence support and serves as the coordinating and secretarial body for the JITs, with legal support from the Attorney General's Office, as required.

Figure: Destination Countries of MLAR

Topics		Total
Case Statistics	Case Filed	98
	Charge Sheet Filed	09
	Judgement Delivered	04
Details of Seized Assets (In Crore BDT)	Domestic Immovable Assets	8,388.95
	Domestic Movable Assets	47,249.23
	Foreign Immovable Assets	6.097.11
	Foreign Movable Assets	4,411.33
	Total Value of Assets	66,146.62

As of December 2025, JITs lodged 98 First Information Reports (FIRs), of which 9 charge sheets have been submitted before the courts, and 04 verdicts have been delivered by the court. Acting under judicial authorization, the teams have frozen or seized a substantial volume of assets, totaling 66,146.62 Crore BDT, marking one of the largest coordinated asset recovery efforts in Bangladesh's history.

To support international cooperation, 21 Mutual Legal Assistance Requests (MLARs) have been transmitted to foreign jurisdictions identified as destinations of laundered assets, and 9 Interpol Red Notices have been issued to locate and apprehend fugitives abroad.

Despite challenges such as citizenship renunciation, multi-jurisdictional litigation, and concealment of beneficial ownership, the JITs continue asset recovery efforts through structured collaboration with foreign financial intelligence units, law enforcement agencies, and international partners, including the International Anti-Corruption Coordination Centre (IACCC), National Crime Agency (NCA), Federal Bureau of Investigation (FBI), and the United States Department of Justice (US DOJ).

8.4.2.1 Strategic Significance of JITs

The Joint Investigation Team (JIT) has emerged as a cornerstone of Bangladesh's renewed commitment to combating financial crimes—including money laundering, corruption, and illicit financial flows—during the post-August 2024 transitional period. Operating as a multi-agency collaborative mechanism, the JIT is designed to identify, investigate, and prosecute high-profile cases of economic crime through integrated and coordinated operations. This approach represents a strategic shift from fragmented, single-agency investigations toward a unified framework that prioritizes accountability, recovery of siphoned public funds, and restoration of public confidence in financial governance.

Figure: Statistics of JIT Initiatives

Photo: International Capacity-Building Workshops arranged by IACCC

The JIT initiative reinforces Bangladesh's alignment with its international commitments under the United Nations Convention against Corruption (UNCAC), the Financial Action Task Force (FATF) Recommendations, and the Maya Declaration, reflecting a strengthened national resolve to uphold integrity, transparency, and effective financial crime enforcement.

8.5 International Cooperation and Capacity Building

As part of continued support to Bangladesh, the International Anti-Corruption Coordination Centre (IACCC) facilitated two high-level International Capacity-Building Workshops, training over 60 officers from the Anti-Corruption Commission (ACC), Criminal Investigation Department (CID), National Board of Revenue (NBR), Bangladesh Financial Intelligence Unit (BFIU), and the Ministry of Home Affairs. The workshops focused on Mutual Legal Assistance Request (MLAR) drafting, digital evidence management, international cooperation protocols, and coordination of complex financial crime investigations.

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In parallel, experts from the United States Department of Justice, Federal Bureau of Investigation, National Crime Agency, and the Royal Canadian Mounted Police provided strategic mentorship and technical assistance throughout the investigation process. Additionally, a specialized Financial Analysis Team comprising officers from BFIU, ACC, NBR, and CID was established to conduct joint forensic analysis and transaction mapping. Team members received Altia training under

IACCC-supported programs, enhancing their capacity to apply advanced digital tools for financial profiling, network analysis, and case visualization.

8.6 Other Initiatives taken in FY 2024-25

1. **Civil Proceedings: The Task Force is engaged with several international law and litigation firms** for other money laundering cases beyond the 11, with the objective of appointing legal representatives in various countries to effectively address legal challenges related to asset recovery.

2. **Amendment of Existing Legal Framework: Based on the recommendations of the Task Force,** the Government of Bangladesh has decided to amend the Money Laundering Prevention Act, 2012 (amended 2015) and the Money Laundering Prevention Rules, 2019 to strengthen asset recovery and management efforts. The Financial Institutions Division is coordinating the amendment process in consultation with relevant organizations, including BFIU, ACC, NBR, CID, the Attorney General's Office, and the Ministry of Law, Justice and Parliamentary Affairs.

3. **International Cooperation: The Task Force maintains regular communication with various international organizations dedicated to asset recovery,** including the Stolen Asset Recovery (StAR) Initiative of the World Bank and UNODC, the U.S. Department of Justice (USDoJ), the International Anti-Corruption Coordination Centre (IACCC), and the International Centre for Asset Recovery (ICAR), to seek technical assistance and training support.

4. **Signing of Mutual Legal Assistance Treaty/Agreement: Initiatives have been undertaken to sign Mutual Legal Assistance Treaties (MLATs)** with several countries to facilitate international legal cooperation in asset recovery.

5. **Signing of MOU:** A "Protocol of Co-operation" has been signed between International Anti-Corruption Coordination Centre (IACCC) and JIT agencies i.e. BFIU, ACC, NBR and CID of Bangladesh Police. Another MoU is currently under process with the International Centre for Asset Recovery (ICAR).

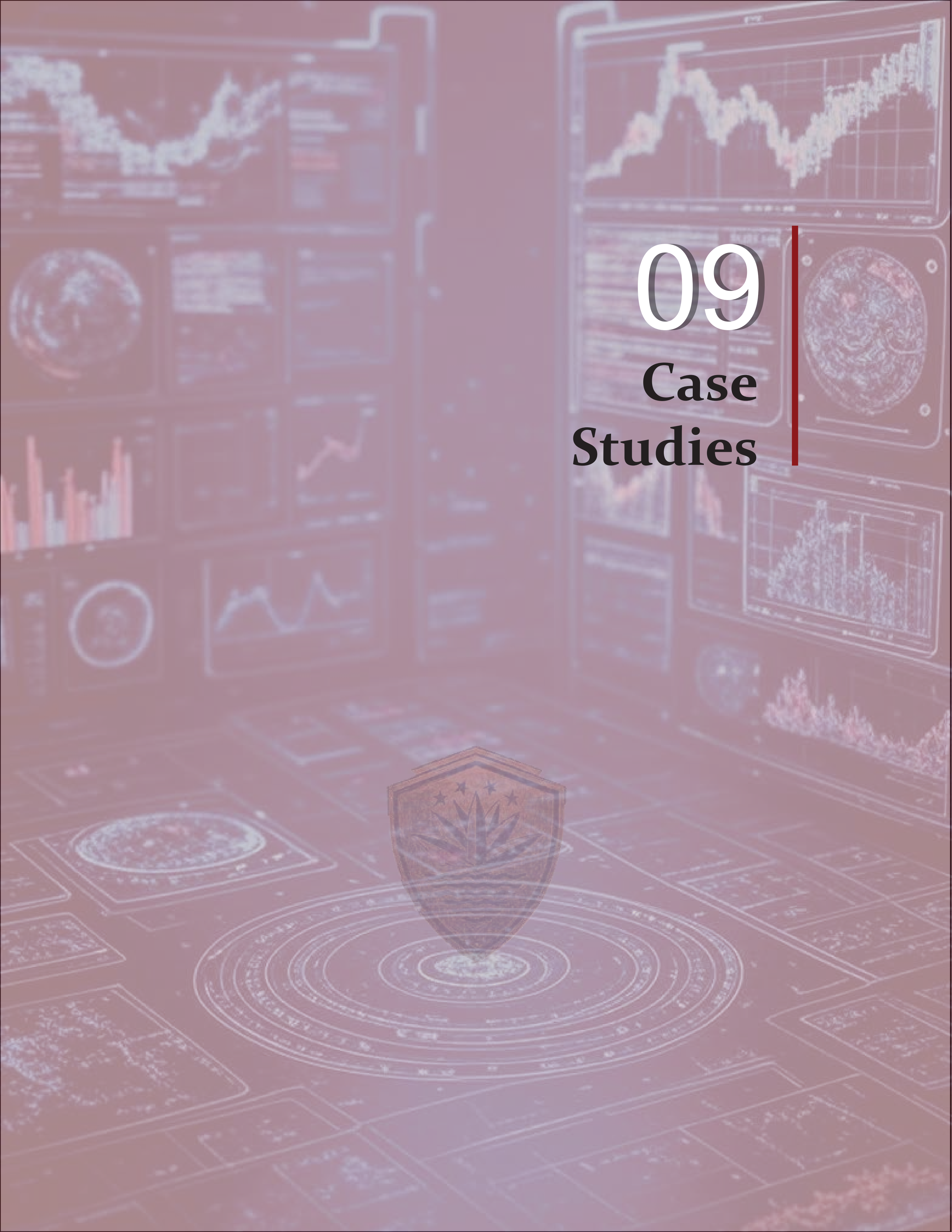
6. **Joining the International Asset Recovery Network:** BFIU has undertaken initiatives to secure Bangladesh's membership in renowned asset recovery expert institutions. As part of this effort, the process of obtaining membership in the Asset Recovery Interagency Network-Asia Pacific (ARIN-AP) is currently underway.

8.7 Conclusion and Way Forward

The recovery of stolen and laundered assets has emerged as a defining priority in Bangladesh's financial integrity agenda. As a core pillar of the national Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework, asset recovery reinforces the principles of accountability and justice embedded in domestic law and the United Nations Convention against Corruption (UNCAC). Guided by this mandate, the Bangladesh Financial Intelligence Unit (BFIU) continues to lead the development of an integrated legal, institutional, and operational framework to identify, trace, freeze, and repatriate the proceeds of crime.

Going forward, national efforts must consolidate around a unified, politically supported approach. The Joint Investigation Teams (JITs) remain the central mechanism for coordinated investigations into major money laundering and asset flight cases. Strengthening these teams through advanced financial investigation training, secure data-sharing platforms, and timely Mutual Legal Assistance Requests (MLARs) will be critical to accelerating cross-border asset recovery. Parallel priorities include establishing a centralized asset management authority, implementing beneficial ownership registries, expanding Mutual Legal Assistance Treaties (MLATs), and operationalizing non-conviction-based confiscation within the national legal framework.

Bangladesh's engagement with United Nations Office on Drugs and Crime (UNODC) asset recovery platforms, the World Bank StAR Initiative, and international partners such as the International Anti-Corruption Coordination Centre (IACCC) and International Centre for Asset Recovery (ICAR) reflects a growing national resolve to reclaim stolen public wealth. Sustained progress, however, will depend on continued political commitment, effective judicial cooperation, and strong inter-agency coordination. With these foundations in place, Bangladesh is well positioned to transform asset recovery from a case-driven enforcement response into a durable instrument of economic justice and financial sovereignty.



09

Case Studies

09
Case Study

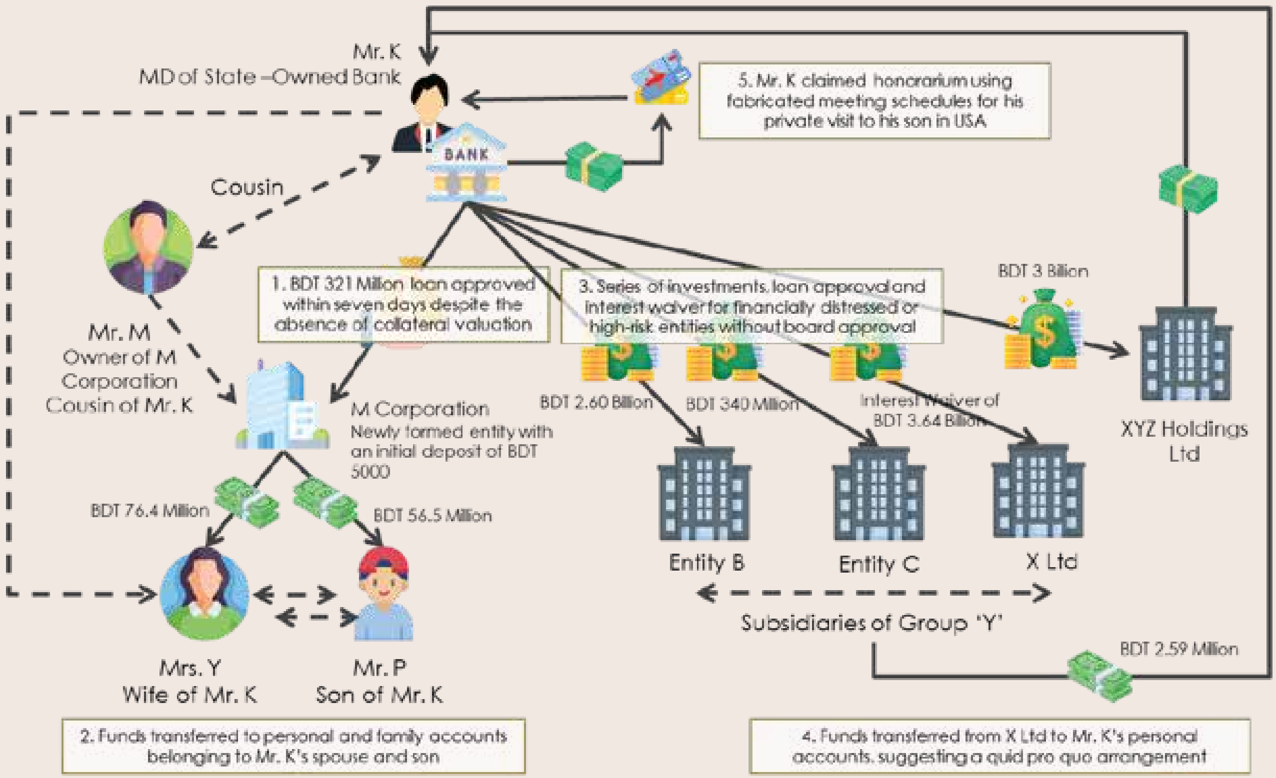
Case 1: Abuse of Authority in Loan Sanctions and prevailing personal benefits by a Top-Level Bank Executive

Analysis started through the receipt of both a compliant and suspicious transaction Report (STR) from a state-owned commercial bank "R" against its former Managing Director, "Mr. K". BFIU initiated an in-depth analysis into the case for allegation of corruption, related parties lending and transactions in violation of banking regulations.

Analysis revealed that Mr. K personally intervened to sanction a Cash Credit (CC) loan of BDT 321.00 million to a newly formed trading entity named "M Corporation" owned by his paternal cousin Mr. M. The account was opened with an initial balance of only BDT 5,000.00 and despite the absence of collateral valuation, business feasibility assessment, and negative feedback from branch and head office credit committees, the loan was approved within seven days by the managing director "Mr. K". Further analysis revealed About BDT 76.40 million and BDT 56.50 million were deposited to Mr. K's wife "Mrs. Y" and son "Mr. P" accounts from the said loan amount. The loan subsequently became non-performing, and interest accrual was suspended on Mr. K's verbal instruction, indicating deliberate concealment of losses of the Banks.

Additionally, during the tenure of "Mr. K" as Managing Director, he managed to approve loans of BDT 2.60 billion and BDT 340.00 million, respectively, in the name of two entities, "B" and "C" of Group "Y", despite having red flags in CIB reports. Mr. K also approved an interest waiver of BDT 3.64 billion in favor of another company, "X Ltd" of Group "Y" shortly before BDT 2.59 million was transferred from the beneficiary company "X Ltd" to Mr. K's personal savings account. These kinds of loan approval and interest waivers suggest a quid-pro-quo arrangement. Further analysis revealed that, additionally, he knowingly made a series of investments totaling over BDT 7.83 billion as Bond, FDR, Shares in financially distressed companies without board approval, including BDT 3.00 billion in the name of "XYZ Holdings Ltd.", which was then under investigation by the Anti-Corruption Commission (ACC). Travel record analysis further showed that Mr. K received a total BDT 20.50 million as official expenses using fabricated meeting schedules for an overseas trip that was, in fact, a private visit to his son in the USA.

Based on these findings, an intelligence report was disseminated to the relevant investigating agency (LEA) for further action under MLPA, 2012, and applicable anti-corruption laws.



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

Offence	Misuse of Authority, Related Party Lending, Corruption & Fraudulent Investment Decisions
Customer	Entity linked to Bank MD (Relative) & Multiple High-Risk Companies
Industry	Banking & Financial Services
Channel	Bank
Report Type/Source	STR, Internal Audit Reports, Transaction Review
Jurisdiction	Domestic
Designated Service	• Rapid sanctioning of large loans without due diligence or collateral assessment • Loans granted to related parties without mandatory disclosure or approval • Structured transfers to personal and family accounts from sanctioned loan proceeds • Non-performing loan intentionally concealed by verbally suspending interest charges • High-value investments made without Board/Treasury approval into risky or politically exposed companies • Suspicious benefit observed following interest waiver granted to a private entity • Official foreign travel falsified to claim bank funds

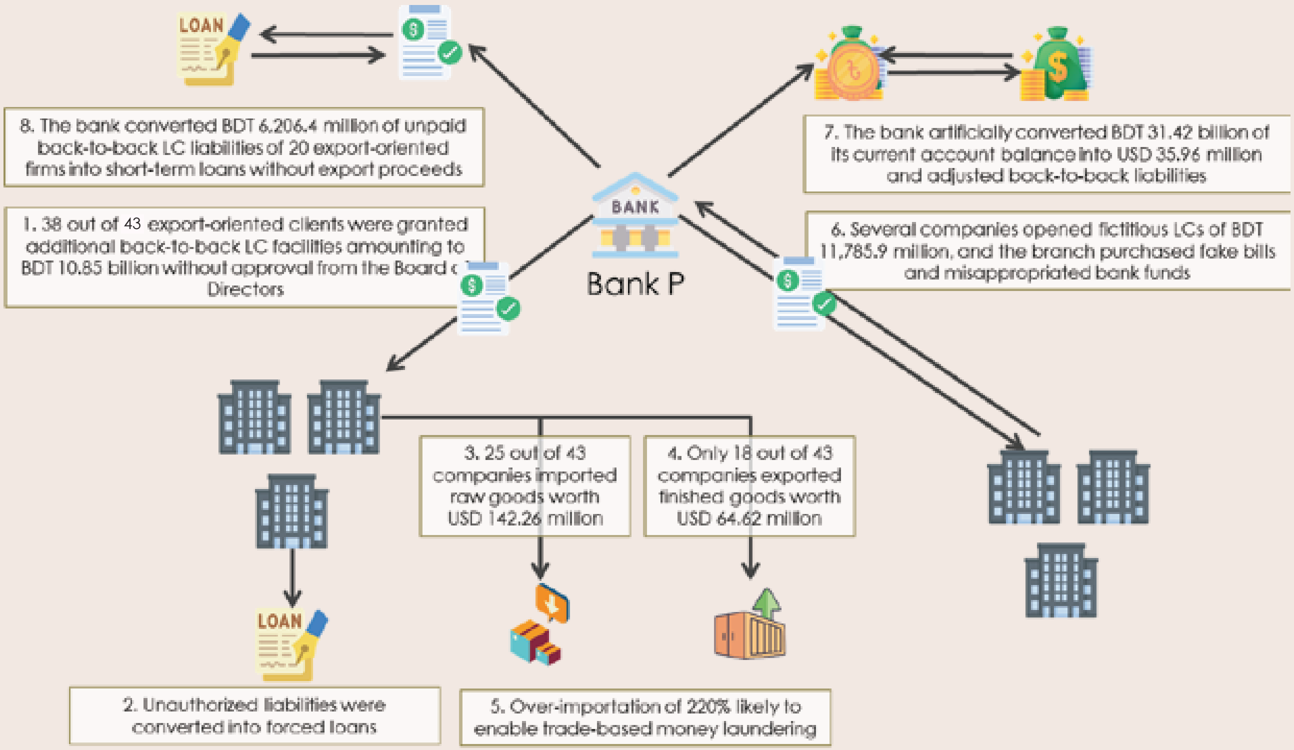
Case 2: Institutional Malpractice and Unauthorized Credit Operations in a Bank

Based on receiving a complaint, a special inspection was conducted by BFIU, which revealed extensive irregularities, fraud and forgery, breaches of financial discipline at Bank "P". Analysis revealed that among 43 export-oriented clients of the branch concerned, 38 individuals were granted additional back-to-back LC facilities amounting to BDT 10,853.00 million without approval from the Board of Directors. Subsequently, these unauthorized liabilities were converted into forced loans, a direct violation of banking regulations and a clear indication of collaboration between the borrowers and branch management.

BFIU analysis also found that 25 entities of 43 export-oriented companies imported raw goods worth USD 142.26 million under Local Back-to-Back LCs. But only 18 entities out of 25 entities exported finished goods worth USD 64.62 million in a period of four years from January 2020 to December 2023. The shortage of export goods indicated over-importation of 220% of USD 77.64 million, likely to make accommodation bills, i.e., trade-based money laundering.

Additionally, the branch issued 13,857 back-to-back LCs, of which approximately 90% were inland LCs in just two years from January 2022 to December 2023. Several related companies were found to have opened fictitious LCs of about BDT 11,785.9 million among themselves; the branch purchased fake bills and misappropriated bank funds. BFIU's findings also uncovered fraudulent practices that during the above-mentioned period, the branch artificially converted about BDT 31,419.7 million of its current account balance into USD 35.96 million and adjusted back-to-back liabilities. Another concern was that the Branch Manager and Additional Managing Director jointly submitted a proposal to the Managing Director seeking to convert BDT 6,206.4 million of unpaid back-to-back LC liabilities of 20 export-oriented firms into short-term loans. The Credit Risk Management Department of the Head Office subsequently approved this conversion via email within a very short time. Without export proceeds, the adjustment of Back-to-back loans liabilities through the creation of short-term loans is a direct violation of banking rules and indicates trade-based money laundering.

BFIU's analysis clearly identified that Bank "P" was engaged in systematic and institutionalized irregularities, including credit fraud and forgery, corruption, and unauthorized lending for many years. Based on these findings, an intelligence report was disseminated to the competent LEAs for further course of action under MLPA, 2012.



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

Offence	Unauthorized credit operations, over-importation, fictitious LCs, fund misappropriation
Customer	Export-oriented garment entities; related-party companies
Industry	Bank
Channel	Back-to-back LCs, forced loans, op-proposal (unauthorized) loans
Report Type/Source	BFIU inspection
Jurisdiction	Domestic
Designated Service	Credit facilities
Indicators	• Unauthorized B2B LC issuance • Excess imports vs exports • Liabilities converted to short-term loans • Frequent loan restructuring

Case 3: Irregular Loan Practices and Concealed Fund Misappropriation linked to TBML

Based on a complaint, BFIU conducted a comprehensive inspection and reviewed loans of a branch under the Chattogram region of bank “U”. Firstly, the review focused on 13 loan accounts that displayed suspicious characteristics, including unusually high sanctioned amounts, delayed approvals, and irregular documentation.

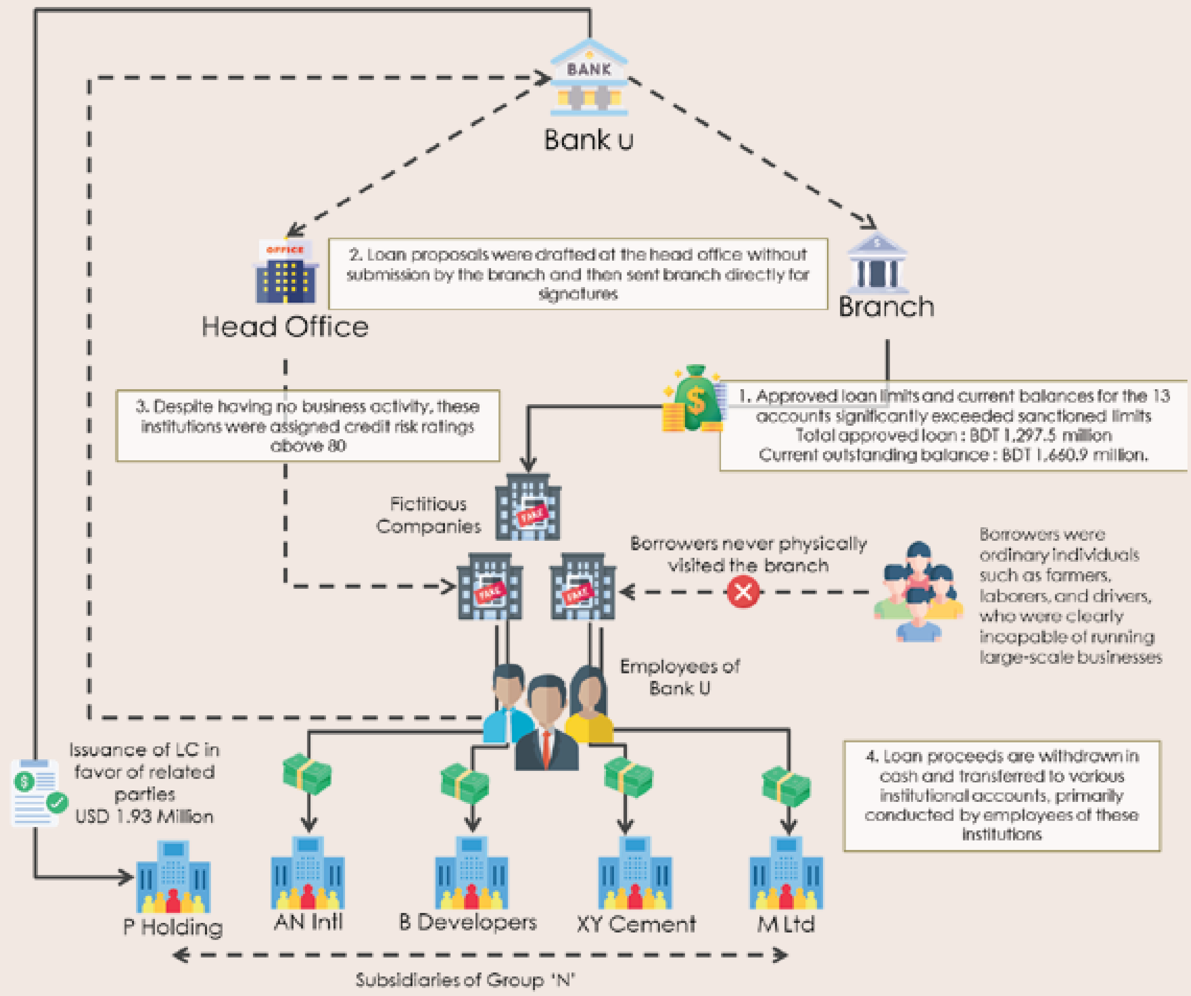
The analysis revealed that approved loan limits and current balances for the 13 accounts significantly exceeded sanctioned limits. Delays between branch submission and board approval were substantial. The total approved loan amount for these accounts was about BDT 1,297.5 million, while the current outstanding balance had risen to BDT 1,660.9 million.

Branch officials’ statements quoted that borrowers never physically visited the branch, and many borrowing institutions were later found to be non-existent, although only trade licenses were obtained. Borrowers were ordinary individuals such as farmers, laborers, and drivers, who were clearly incapable of running large-scale businesses. BFIU also found that loan proposals were drafted at the head office without submission by the branch and then sent branch directly for signatures. Despite having no business activity, these institutions were assigned credit risk ratings above 80, facilitating unjustified approvals. Loan approvals were executed according to pre-planned instructions, bypassing standard risk assessment procedures. Proposals submitted by the branch were presented directly to the credit committee at the head office, and newly registered institutions with insufficient cash flow or collateral were deliberately approved. Most loans were disbursed under executive board approval, demonstrating that the actual authorization was guided by the executive committee, rather than standard governance protocols.

Loan proceeds were largely withdrawn in cash and transferred to various institutional accounts, including “An International”, “B Developments”, “XY Cement Ltd”, and “M Ltd”. Cash withdrawals were primarily conducted by employees of these institutions. The companies were a group of companies of Group “N”.

Further analysis revealed that a trading company, “P Holding,” made 56 Letters of Credit (LCs) in that branch between 2020 and 2024, totaling approximately USD 1.93 million. Most LCs were issued in favor of “P Holding”; anther trading company of Group “N”. Further analysis based on foreign counterpart information found that the LCs beneficiaries were also the related-parties which suspected of potential trade-based money laundering.

BFIU findings indicated that a powerful internal group exploited positions of authority to embezzle depositors’ funds under the guise of loan disbursements. Cash withdrawals were used to conceal the source of funds, which were subsequently transferred to various individuals and institutional accounts. Based on these findings, an intelligence report was disseminated to the competent LEAs for further course of action under MLPA, 2012.



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

Offence	Irregular loan practices, fund misappropriation, and trade-based money laundering
Customer	Multiple fictitious/non-existent borrowing entities; internal officials involved
Industry	Bank
Channel	Bank loans, LC operations
Report Type/Source	BFIU inspection
Jurisdiction	Domestic
Designated Service	Credit facilities
Indicators	• Submission of Loan Proposal by Branch (Bypassed) • Disbursing Loan without Physical Inspections • Funds Withdrawn in Cash

Case 4: “Phantom Deposits, Large-Scale MTDR Forgery and Fund Embezzlement by Group “WXY”

BFIU initiated an in-depth financial intelligence analysis following the receipt of multiple Suspicious Transaction Reports (STRs) regarding fictitious Mudarabah Term Deposit Receipts (MTDRs). The analysis uncovered a sophisticated and coordinated forgery involving MTDR's creation, the involvement of bank officials, and large-scale embezzlement of funds amounting to over about BDT 17 billion.

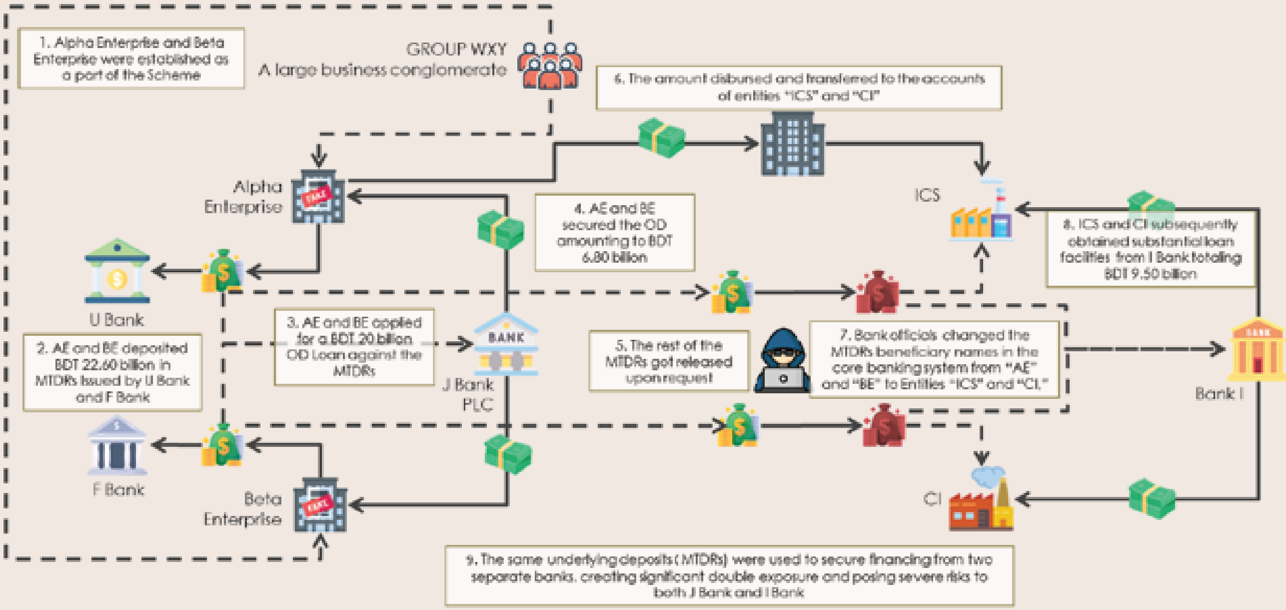
Analysis revealed that “GROUP WXY” established two front companies, namely Alpha Enterprise (AE) and Beta Enterprise (BE). “Bank U” and “Bank F” respectively created 37 MTDRs and 32 MTDRs totaling BDT 22.60 billion by using fabricated means through the core banking system in the name of “AE” and “BE”. MTDRs fund were shown to be deposited from paper-based entities that don’t exist.

Then, Entities “AE” and “BE” applied for Secured overdraft loans of BDT 20.00 billion in “Bank J”, keeping lien of the mentioned total 69 MTDRs. Found that those MTDRs in Bank “U” and “F” were created just before 02 days of applying for loans in the name of “AE” and “BE”. However, the entities availed Secured OD loan amounting to BDT 3.40 billion, each totaling BDT 6.80 billion against 38 MTDRs. After that, the loan amount was disbursed and transferred to the accounts of entities “ICS” and “CI”.

Additionally, the rest of the 31 MTDRs totaling BDT 14.66 billion were kept unblocked in Bank “U” and “F,” and later bank officials changed the MTDRs beneficiary names in the core banking system from Entities “AE” and BE to Entities “ICS” and “CI,” which were the sister concerns of Group “WXY”. Notable that the bank officials altered the beneficiary names after office hours at midnight. Further Analysis revealed that the entities “ICS” and “CI” applied for Secured overdraft loans of BDT 14.66 billion in “Bank I”, keeping lien of the mentioned total 31 MTDRs. The bank approved SOD loans totaling BDT 9.50 billion in the name of “ICS” and “CI”.

The loans obtained by “AE”, “BE”, “ICS” and “CI” from Bank “J” and “I” were classified as “Bad and Loss”. The analysis identified strong indicators of involvement of bank officials in document forgery, fabrication of MTDRs in CBS, manipulation of financial instruments and complex layering of transactions etc. Overall, all these activities appear to have been deliberately structured to make illicit financial benefits to “Group WXY” through its front and fictitious companies.

Based on the findings, BFIU disseminated an intelligence report to the affiliated law enforcement agencies (LEAs) for necessary actions under the Money Laundering Prevention Act, 2012, and other applicable criminal and anti-corruption laws.



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

Offence	Large-Scale MTDR Forgery, Double Financing, Inter-Bank Fraud, Embezzlement & Money Laundering
Customer	Multiple interconnected business entities under common ownership and control, linked to a large industrial group
Industry	Banking & Financial Services
Channel	Bank (MTDR creation, collateral pledge, loan disbursement, fund diversion across multiple banks)
Report Type/Source	Bangladesh Bank, Chittagong Office Audit Report
Jurisdiction Designated Service	Domestic (multiple banks within Bangladesh) • Creation of high-value MTDRs using unverified funds from associated entities • Use of freshly issued MTDRs as collateral to obtain BDT 680 crore loan from Junok Bank PLC • Diversion of loan proceeds through layered accounts to Delta Steel Ltd. • Fraudulent alteration of MTDR ownership in the UBL Core Banking System outside business hours • Double-financing: re-using the same MTDRs to obtain fresh loans from IBP • Collusion by senior bank officials to facilitate the release and re-issuance of MTDRs • Large-scale misappropriation and suspected laundering of over BDT 1100 crore

Case 5: Abuse of Authority: Illicit Fund Channeling Through a Family-Run Welfare Organization

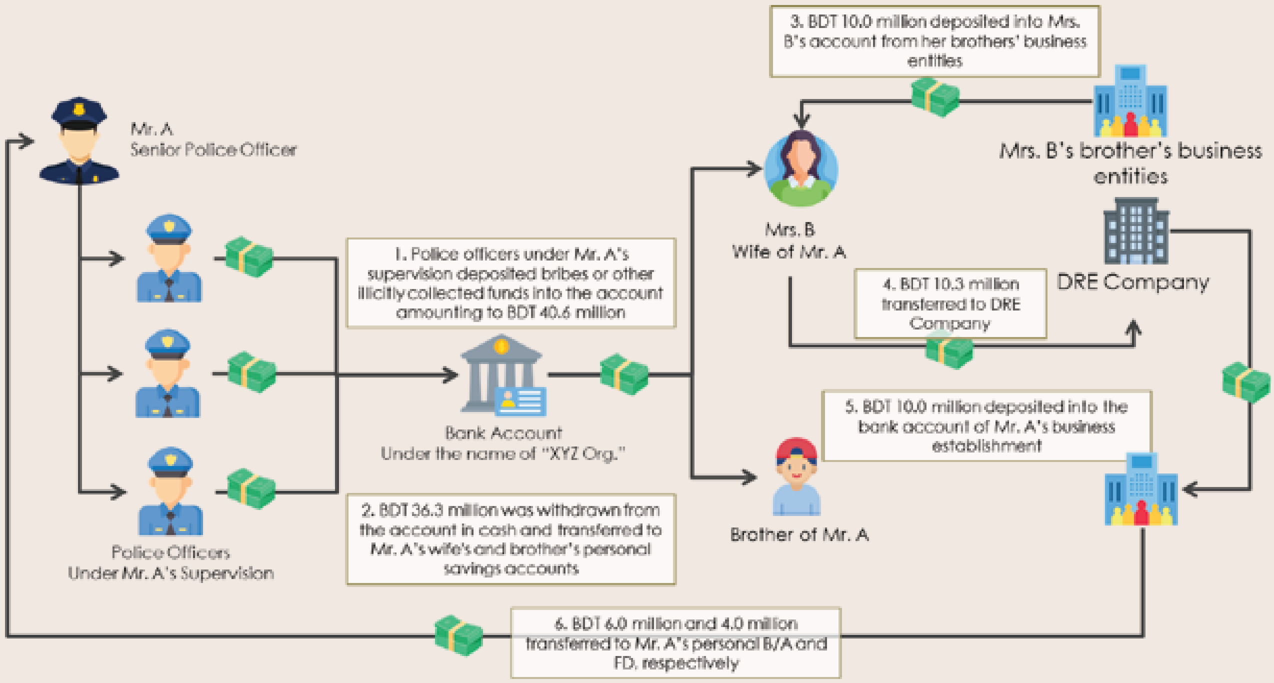
BFIU conducted an in-depth analysis of a senior police officer, Mr. A, and his family members based on receiving several suspicious Transactions reports (STRs) from banks.

BFIU discovered that a bank account had been opened in the name of "XYZ Org," which was established and controlled by Mr. A and his family members. It was registered as a jointly managed club or society, but the Bank didn't receive any memorandum of association, operational documents, or information on its actual activities during account opening. The account received deposits amounting to BDT 40.6 million through cash, cheques, and pay orders, and most of these deposits came from police personnel holding important positions across various police stations and barracks, raising strong suspicion of corruption.

Analysis indicated that during his tenure, Mr. A abused his official authority by directing police officers under his supervision to deposit bribes or other illicitly collected funds into the account of "XYZ Org". A total of BDT 36.3 million was later withdrawn from this account in cash and transferred to his wife's and brother's personal savings accounts. These funds were then used for personal expenditure, suggesting that the organization's account had been used as a layering tool to disguise the origin of illegally corrupted money.

Further analysis revealed collaboration between the personal account of his wife, "Mrs. B," and the business accounts (ABC Company & AB Tech) of her brothers. Mrs. B, a housewife with no declared source of income, received significant deposits through pay orders and cheques. Two cheques totaling BDT 10.0 million were deposited into her account from her brothers' business entities, followed by a transfer of BDT 10.3 million from her account to "DRE Company". Subsequently, DRE Company deposited BDT 6.0 million and BDT 4.0 million into the bank account of Mr. A's business establishment, from which Mr. A transferred BDT 6.0 million into his personal account and used BDT 4.0 million to open a fixed deposit.

These transactions demonstrate deliberate placement, layering, and integration of illicit funds, constituting money laundering under Section 2(cc) (1) of the Money Laundering Prevention Act (MLPA), 2012. BFIU disseminated an intelligence report to relevant Law Enforcement Agencies (LEAs) for further course of action under the provisions of MLPA, 2012.



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

Offence	Corruption & Bribery, organized crime
Customer	Individual, Entity
Industry	Bank
Channel	Banking
Report type/Source	STR, AMSAR
Jurisdiction	Domestic
Designated Service	Account services
Indicators	• Unusually Large Deposits & Withdrawals • Layering Through Related Parties • Mismatch Between Account Holder Profile and Activity • Abuse of Authority • Integration into Legitimate Channels

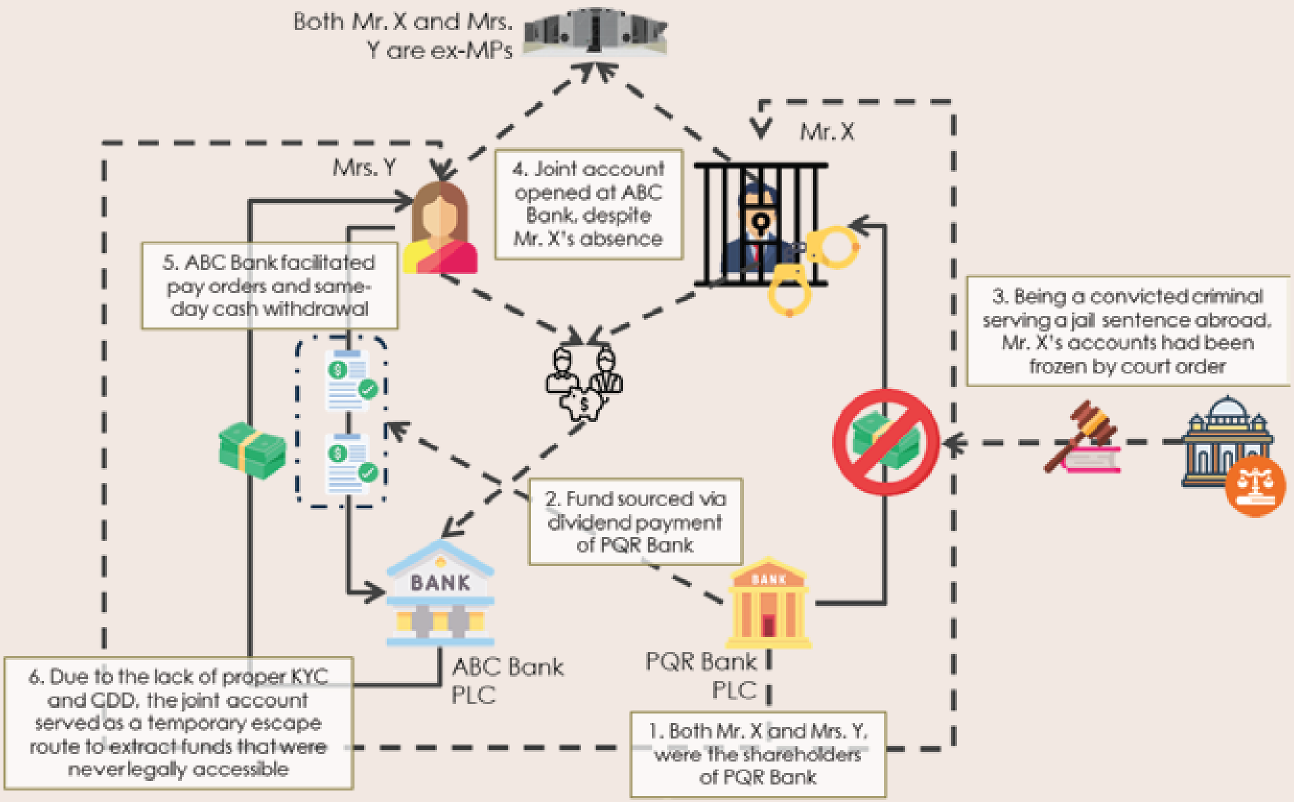
Case 6: Abuse of Joint Account for parking illicit funds

BFIU initiated an analysis into suspicious account activity (SAR) involving a joint account opened at ABC Bank by Former Member of Parliament Mrs. Y and her husband, Mr. X, also a former Member of Parliament.

The joint account was opened by the respective branches of ABC Bank PLC on Mrs. Y's request despite the absence of Mr. Y. On the same date as the account opening, Mrs. Y deposited two pay orders totaling BDT 4 crore, both issued in the name of Mr. X. Immediately after crediting the funds, the entire BDT 4 crore was withdrawn in cash from the bank. The transaction review showed that the pay orders (each valued at BDT 2 crore) had been issued on the same date of two consecutive months, raising significant suspicion regarding both timing and intent. Further investigation into the source of funds revealed that the pay orders were funded by the General Ledger Account of the principal branch of PQR Bank PLC, rather than from any personal account of the beneficiaries declared. One month later, when the account was forwarded to CAMLCO for post-facto approval, it was discovered that Mr. X is a convicted criminal serving a jail sentence abroad.

Meanwhile, the respective branch of ABC Bank further facilitated six additional pay orders and same-day cash withdrawals, all executed immediately after the deposit. Notably, 14 days after the withdrawal, Mrs. Y submitted a source-of-funds declaration claiming the deposits represented dividend payments from PQR Bank, claiming that the couple is a shareholder of PQR Bank. However, Mrs. Y could not encash the pay orders earlier because all of Mr. X's accounts had been frozen by court order. The joint account served as a temporary escape route—an improvised funnel to extract funds that were never legally accessible.

The analysis found lapses in the KYC process and due diligence by the bank, enabling the withdrawal of illegally obtained funds through procedural lapses and inadequate scrutiny. Based on the findings, administrative actions were taken against ABC Bank for KYC failures and regulatory violations under Section 25(2) of the MLPA, 2012, and relevant directives were issued to prevent recurrence. Furthermore, the intelligence report was disseminated to the respective LEA for further course of action against the suspects.



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

Offence	Fraud
Customer	Individual
Industry	Bank
Channel	banking channel.
Report type/Source	Complaint (SAR)
Jurisdiction	Domestic
Designated Service	Pay order, check
Indicators	• Account opening in the absence of a customer (non-face-to-face customer) • One signatory's signature is missing in AOF • High-value pay orders are placed on the same date as the account opening. • After encashment of the pay order, all the money has been withdrawn in cash. • Post facto approval of CAMLCO regarding the IP/PEPs account.

Case 7: Trade-Based Money Laundering and Tax Evasion by a Syndicate Importer of Non-Food Items

BFIU initiated an analysis based on complaints lodged by a customs house regarding suspicious transactional patterns associated with a syndicate importer of non-food items, a customer of S Bank PLC.

It is found that the alleged entity imported a wide range of products—including garment items, household appliances, electric cigarettes, and related goods—at significantly lower prices (e.g., US$1.30 per kilogram for various items and US$10 per laptop) compared to international market rates. Customs authorities also assessed that the declared values were far below the minimum reference prices set for these goods. On the other hand, those products were declared and imported on a per-kilogram basis instead of on a per-unit or per-quantity basis, a method that is highly unusual for such items and raised immediate suspicion. It indicates that the importer might have opened letters of credit (LCs) at artificially low values to avoid customs duties, indicating smuggling of the remaining amount (approximately US$50 million) through an informal channel, i.e., hundi/hawala system, possibly in collusion with foreign suppliers and intermediaries. Additionally, Furthermore, during verification, the team has found no physical office of the importer at the address stated in the account opening form and trade license, raising concerns about the legitimacy and operational existence of the business. Multiple compliance violations were also observed at the end of the bank, including failure to provide an LC copy containing detailed product specifications, deliberate structuring of LC values below US$10,000 to bypass mandatory foreign supplier credit report requirements, and inconsistencies between the suppliers' declared business type and the nature of the goods supplied.

The analysis revealed extensive irregularities in import practices, under-invoicing, and potential trade-based money laundering (TBML), indicating deliberate efforts to evade customs duties and transfer value abroad unlawfully. Based on these findings, S Bank was penalized under Section 25(2) of the Money Laundering Prevention Act, 2012 (amended 2015), for failing to submit a Suspicious Transaction Report (STR) despite clear indicators of TBML and regulatory breach. An intelligence report, along with all relevant supporting documents, was disseminated to the appropriate law enforcement agencies for further action under the MLPA, 2012.

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

Offence	Trade-based money laundering, tax evasion & smuggling of money
Customer	Entity
Industry	Import trade and banking
Channel	Banking, International Trade, Hundi
Report type/Source	Complaints (SAR)
Jurisdiction	Domestic and International
Designated Service	Banking services, import trade, and financial services
Indicators	• Products imported at an abnormally low price. • The declared value is much lower than customs assessed value. • Company not found in the trade license address. • LC value is lower than 10000 to avoid a credit report.

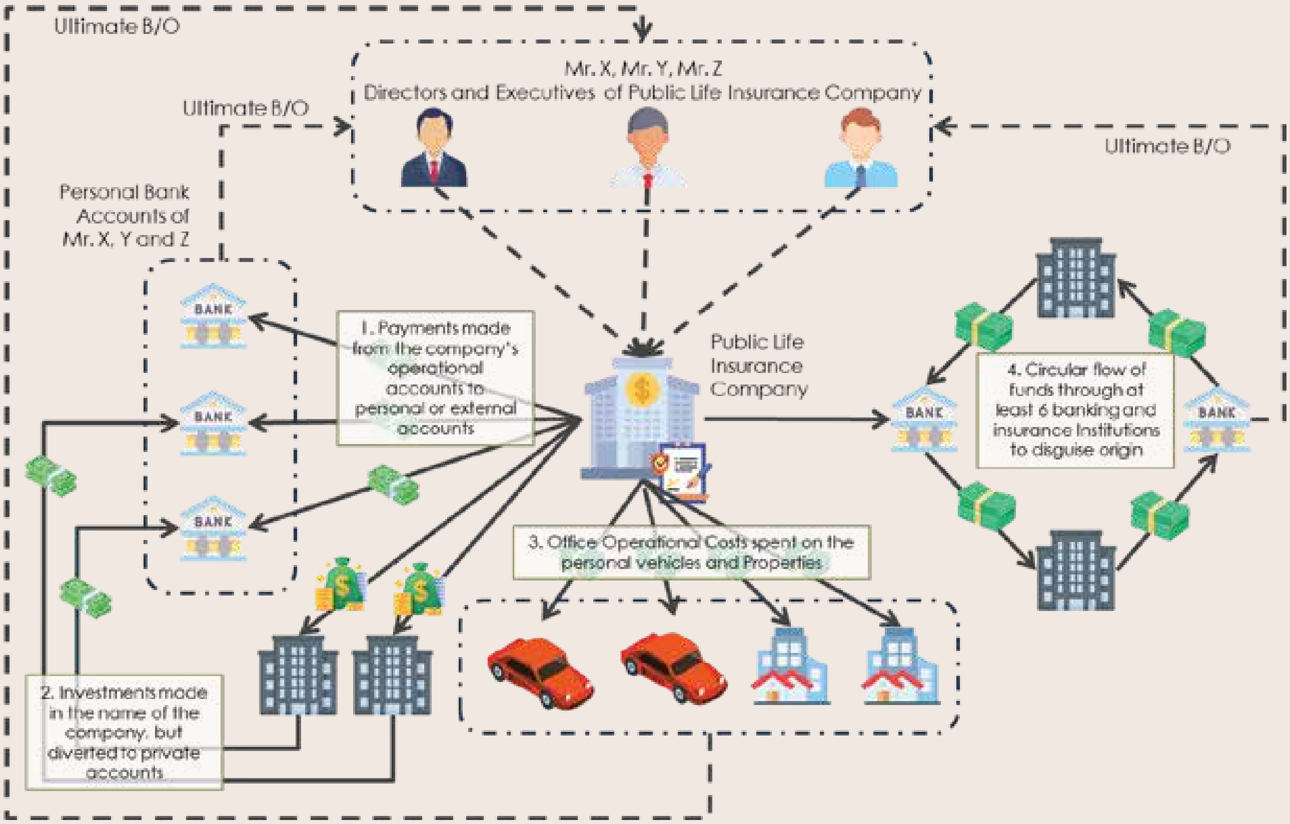
Case 8: Fund Diversion and Misappropriation within a Public Insurance Corporation

Based on the findings of a special inspection, BFIU initiated an in-depth financial analysis of a major public life insurance company after detecting unexplained, inconsistent fund movements. The review uncovered that approximately BDT 3,530.00 million had been diverted and misappropriated through a coordinated network of unauthorized transactions involving multiple internal, external, and personal accounts. Analysis indicated that the directors and senior executives— Person X, Y, and Z—played central roles in orchestrating these financial irregularities.

Analysis revealed that multiple payments were made from the company's operational accounts (account A and account B) to different personal or external accounts (accounts X, Y, and Z) without clear justification. Several transactions lacked corresponding documentation, indicating deliberate concealment. Additionally, the company's investment accounts were used as conduits for misappropriation. Investments recorded under the company's name were subsequently transferred to private accounts controlled by Mr. X and Y. No supporting vouchers or board approvals were found for these transactions.

Further scrutiny revealed misuse of institutional funds for high-value personal acquisitions, including luxury vehicles and real estate. Though these expenses were recorded as "operational expenses" in the company's ledger, the purchases were made under the names of related individuals. In addition to that, layered transactions were utilized to create a circular flow, where funds were routed through at least six different insurance and banking institutions to disguise their origin.

Based on these findings, an intelligence report was prepared and disseminated to the appropriate law enforcement agencies for necessary action under the MLPA, 2012, and relevant laws.



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

Offence	Fund Embezzlement, fraudulent activities
Customer	Individuals
Industry	Bank, Insurance
Channel	Bank Accounts, Insurance products, Investment
Report type/Source	media news, special inspection
Jurisdiction	Domestic
Designated Service	Bank account service
Indicators	• Unauthorized transfers, • Irregular investments, vehicle and asset purchases, • Layered transactions

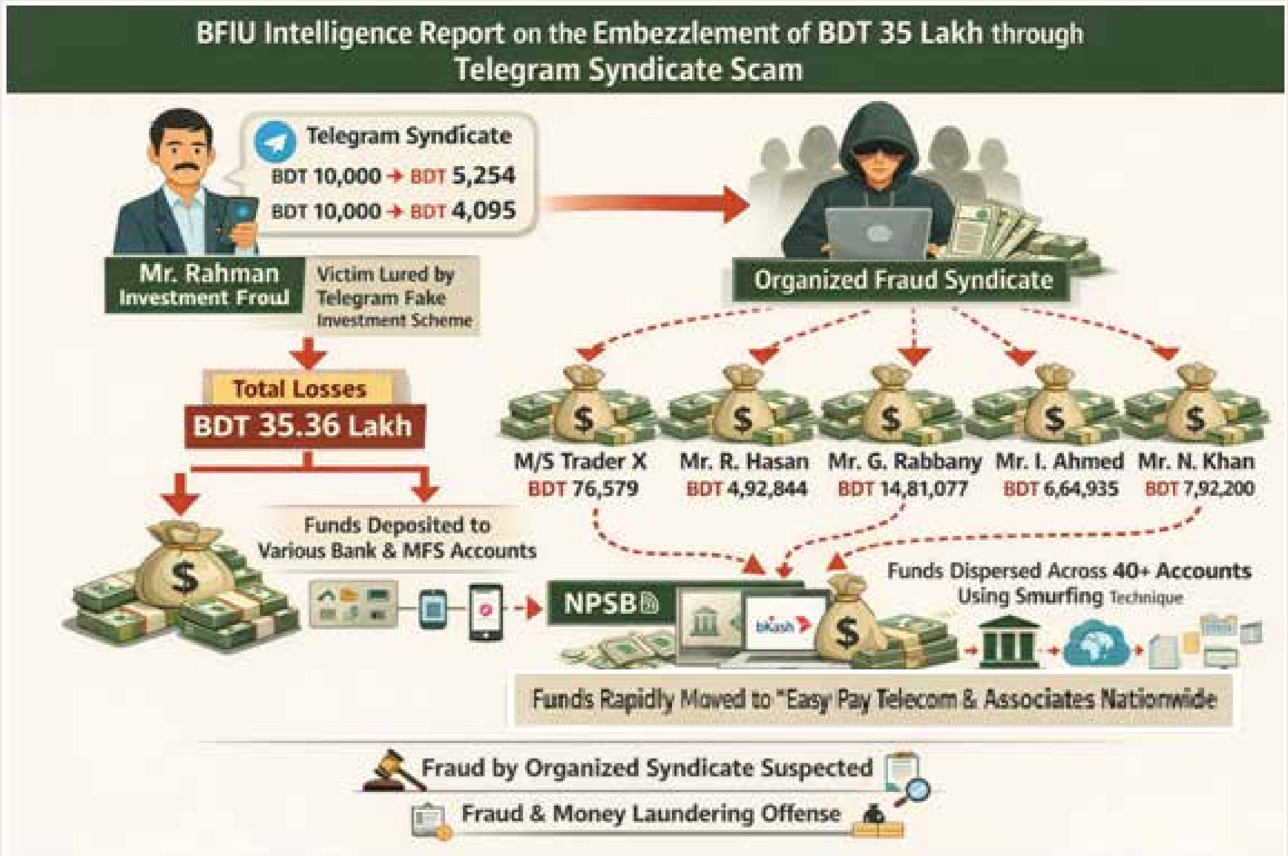
Case 9: Fraud-forgery through Telegram Syndicate Scam

Following a complaint, BFIU initiated an in-depth analysis of an alleged fraudulent investment scheme operated via a Telegram account. The victim, Mr. Rahman, was initially lured by receiving returns on small investments of BDT 10,000, first with a profit of BDT 5,254 and later BDT 4,095. Gaining the trust, the victim subsequently followed further instructions from the Telegram account and made multiple transfers of around BDT 35.36 lac across various bank accounts and mobile financial service accounts (bKash/Nagad), funds which were never returned.

Analysis revealed that the organized fraudulent group immediately utilized the deposits by transferring the amount in small, structured values (known as Smurfing) across more than 40 different bank accounts to hide the source and evade internal detection. Key transfers identified in the analysis include BDT 76,579 to an entity named M/S Trader X, BDT 4,92,844 to an individual named Mr. R. Hasan, BDT 14,81,077 to Mr. G. Rabbany, BDT 6,64,935 to Mr. I. Ahmed, and BDT 7,92,200 to Mr. N. Khan. Subsequent transaction analysis showed that funds were then transferred to other accounts, including Mr. J. Ahmed and 'Easy Pay Telecom'.

The transaction patterns indicate a high degree of inconsistency between the transaction volume and the declared income or business turnover of the account holders. Most transactions utilized mobile applications and the NPSB platform, allowing for regular, high-volume deposits to be instantly transferred to various collaborator accounts nationwide without visiting a bank branch.

Based on these findings, it is strongly suggested that the funds were embezzled through Fraudulent means, which is a predicate offense under the Money Laundering Prevention Act, 2012 (as amended in 2015). An intelligence report has been compiled for the relevant investigating agency for necessary action.



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

Offence	Fraud-forgery
Customer	Individual and entities
Industry	Banking & Mobile Financial Services (MFS)
Channel	Social Media Platform (Telegram), Bank Accounts, Mobile Financial Services
Report type/Source	(bKash/Nagad), Digital/Mobile Banking Applications, NPSB Platform
Jurisdiction	Complaint (SAR)
Designated Service	Domestic
	• Luring the victim through a fraudulent investment scheme via a social media platform. • Victim making multiple large-value deposits (totaling BDT 35.36 Lakh) into numerous bank/MFS accounts. • Immediate transfer and dispersal of the funds in small, structured values (Smurfing) across 40+ accounts to evade detection (Layering). • Use of mobile banking apps and the NPSB platform for instant, high-volume, and geographically dispersed fund transfers. • Significant inconsistency between transaction volume/activity and the declared business profile of the accounts used by the organized fraud group.

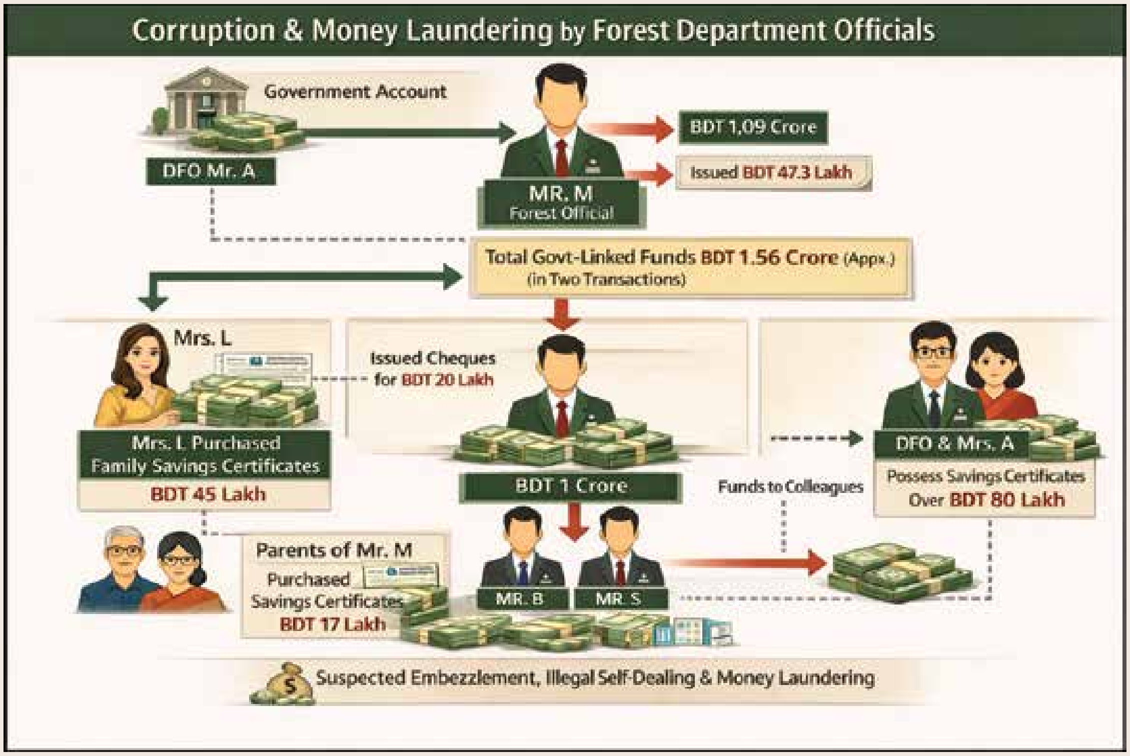
Case 10: Corruption and Money Laundering by Government Officials

Following an anonymous complaint, BFIU initiated an in-depth analysis into the activities of Mr. M, a Forest Department official, and several associated individuals, including the Divisional Forest Officer (DFO), for alleged corruption, self-dealing in government projects, illegal hiring practices, and the embezzlement of other employees' salaries & government funds.

Analysis revealed that Divisional Forest Officer (DFO), Mr. A, transferred a total of BDT 1.09 crore from a government account to another official, Mr. M's personal account, by two transactions. The fund was then transferred to Mr. M, and 02 (two) other officials (Mr. B and Mr. S), and ultimately, the entire fund was withdrawn in cash by them, indicating embezzlement of government funds by the DFO with the connivance of his lower-grade employees. The DFO also issued a cheque of BDT 47.31 lac to Mr. M, leading to the issuance of 15 pay orders, of which BDT 27 Lakh was cashed by Mr. M before a suspension order was placed. The DFO and his wife, Mrs. A, were also found to possess savings certificates worth over BDT 80 Lakh, prompting further inquiry into the source of their wealth. The DFO's actions and the use of Mr. M's accounts for official security deposits also suggest Mr. M's unauthorized involvement in government tenders.

The transaction analysis of Mr. M revealed that a balance of over BDT 1.27 Crore across five personal bank accounts, which is highly inconsistent with his declared income and profession (lower grade official of the Govt. pay scale). Furthermore, it is found that Mr. M channeled large sums of money through his close relatives; he issued a check for BDT 45 Lakh to his wife, Mrs. L, who subsequently purchased a family savings certificate, and issued checks totaling BDT 20 Lakh to his parents for the purchase of additional savings certificates worth BDT 17 Lakh. Mrs. L, a teacher, also operates multiple deposit schemes with a current total bank balance inconsistent with her income, including a joint account with their daughter.

Based on these findings, an intelligence report has been disseminated to the relevant investigating agency for necessary action.



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

Offence	Corruption, fraud-forgery
Customer	Individual, Govt Entity
Industry	Bank
Channel	Banking Channel, savings certificate
Report Type/Source	Anonymous Complaint (SAR)
Jurisdiction	Domestic
Designated Service	• Accumulation of wealth is inconsistent with a government employee's salary (BDT 1.27 Cr in Mr. M's accounts). • Large transfers to and purchases of savings certificates (BDT 45L, BDT 17L) by family members, suggesting Placement/Layering. • DFO transferring BDT 1.09 Cr from a Government Account to Mr. M's Personal Account. • Rapid, large-scale cash withdrawal (BDT 1.00 Cr) and subsequent transfers between officials. • DFO and spouse possessing significant savings certificates (over BDT 80L) of questionable origin. • Mr. M's unauthorized involvement in government tenders/security deposits. • * Use of official position for self-dealing in government projects and illegal income generation.

List of Abbreviations

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
AMSAR	Adverse Media Suspicious Activity Report
APG	Asia/Pacific Group on Money Laundering
ATA	Anti-Terrorism Act
ATU	Anti Terrorism Unit
BAJUS	Bangladesh Jeweller's Association
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BEFTN	Bangladesh Electronic Fund Transfer Network
BFIU	Bangladesh Financial Intelligence Unit
BO	Beneficial Ownership
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
CEF	cyber-enabled fraud
CIB	Credit Information Bureau
CIC	Central Intelligence Cell
CID	Criminal Investigation Department
CIID	Customs Intelligence and Investigation Directorate
CMI	Capital Market Intermediaries
CTR	Cash Transaction Report
DB	Detective Branch
DCAMLCO	Deputy Chief Anti-Money Laundering Compliance Officer
DFS	Digital Financial Services
DIP	Department of Immigration and Passports
DMP	Dhaka Metropolitan Police
DNFBP	Designated Non-Financial Businesses and Professions
DNC	Department of Narcotics Control
EDD	Enhanced Due Diligence
EG	Egmont Group
ESCAP	Economic and Social Commission for Asia and Pacific
ESW	Egmont Secure Web

FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FC	Finance Company
FID	Financial Institutions Division
FIU	Financial Intelligence Unit
FSRB	FATF-Style Regional Body
FX	Foreign Exchange
IACCC	International Anti-Corruption Coordination Centre
IAD	Internal Audit Department
ICAR	International Centre for Asset Recovery
IDRA	Insurance Development & Regulatory Authority
IFC	International Finance Corporation
IMF	International Monetary Fund
IFF	Illicit Financial Flow
IP	Influential Persons
ITP	Independent Testing Procedure
JIT	Joint Investigation Team
KYC	Know Your Customer
LC	Letter of Credit
LEA	Law Enforcement Agency
ML & TF	Money Laundering & Terrorist Financing
MLA	Mutual Legal Assistance
MLAR	Mutual Legal Assistance Request
MLPA	Money Laundering Prevention Act
ME	Mutual Evaluation
MER	Mutual Evaluation Report
MoHA	Ministry of Home Affairs
MoU	Memorandum of Understanding
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MFS	Mobile Financial Service
MRA	Microcredit Regulatory Authority
NBR	National Board of Revenue
NCA	National Crime Agency
NCC	National Coordination Committee on AML & CFT
NGO	Non-Government Organization
NGOAB	NGO Affairs Bureau
NID	National Identity Card
NPO	Non-Profit Organization
NRA	National Risk Assessment
NPSB	National Payment Switch Bangladesh
PBI	Police Bureau of Investigation
PDG	Policy and Development Group
PEP	politically exposed persons
PF	Proliferation Finance
RBA	Risk-Based Approach

RBS	Risk-Based Supervision
REHAB	Real Estate & Housing Association of Bangladesh
RJSC	Registrar of Joint Stock Companies and Firms
RO	Reporting Organization
RTGS	Real-Time Gross Settlement
RTMG	Risks, Trends and Methods Group
SAR	Suspicious Activity Report
SB	Special Branch
SDG	Sustainable Development Goal
SRB	Self-Regulatory Body
StAR	Stolen Asset Recovery
STR	Suspicious Transaction Report
TA&T	Technical Assistance and Training
TBML	Trade-Based Money Laundering
TC	Technical Compliance
TIB	Transparency International Bangladesh
UNCAC	United Nations Convention against Corruption
UNCTAD	United Nations Conference on Trade and Development
UNODC	United Nations Office on Drugs and Crime
UNSCR	United Nations Security Council Resolutions
USD	United States Dollar
USDOJ	United States Department of Justice
VA	Virtual Asset
VASP	virtual asset service providers
WC	Working Committee on AML & CFT
WCO	World Customs Organization
WMD	Weapons of Mass Destruction