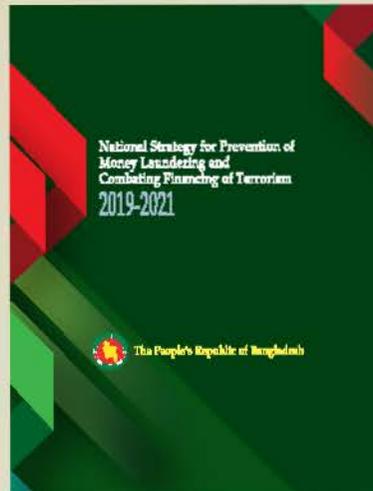


National Strategy for Prevention of
Money Laundering and
Combating Financing of Terrorism
2019-2021



The People's Republic of Bangladesh

**National Strategy for Prevention of
Money Laundering and
Combating Financing of Terrorism
2019-2021**



The People's Republic of Bangladesh

Vision

Mission

Strategic Objectives

Strategics

Action Items

Monitoring & Control

NCC & Working
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Vision

Mission

Strategic Objectives

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Action Items

Monitoring & Control

NCC & Working Committee Assesment

Foreword...



The commitment of the Government of the People's Republic of Bangladesh to combat money laundering (ML), terrorist financing (TF) gets reflected in the National Strategy for Prevention of Money Laundering and Combating Financing of Terrorism. Likewise, the Strategy for the year 2019-2021 is also a manifestation of commitment to combating offences like ML, TF and proliferation financing of weapons of mass destruction (PF) at national level. We fully realize that our zero tolerance policy to terrorism and corruption can be successful when we can effectively prevent generation of proceeds of crime and their profitable use by the criminals. And to effectively combat offences like ML and TF, a well thought out national strategy is quite significant. In such a context, the Strategy has been framed through consultation with all the stakeholders and recommendations of the Bangladesh Mutual Evaluation Report (MER), 2016 has provided useful guidance in this regard.

The objectives as set out in the strategy have been developed keeping in mind the actions needed to further strengthen our anti money laundering (AML) and combating financing of terrorism (CFT) regime engaging all the responsible agencies in a well coordinated manner. The Strategy paper highlights eleven strategies broken down into 137 action items and cover key components such as, stemming illicit flow of funds and trade based money laundering, developing effective judicial system, maintaining strict AML & CFT compliance by the reporting organizations (ROs), modernizing border control mechanisms, ensuring systematic freezing and confiscation of proceeds of crime and managing them effectively, promoting transparency in the ownership of legal persons and arrangements, ensuring corporate governance in the ROs and other corporate vehicles for further strengthening of AML & CFT regime. For effective implementation of the strategies capacity building and resource allocation for judges, prosecutors, law enforcers, regulators and compliance officers have also been given due importance. Specific agency has been identified and assigned to bear the budget required and implement each of the action items within the timeframe.

Now that a legal and institutional mechanism is in place and very few gaps in technical compliance issues exist, all responsible agencies are better able to work in synergy to ensure more effective implementation of the recommendations of Financial Action Task Force. Commitment statements of all responsible ministries and agencies demonstrate their involvement and dedication in implementing this strategy paper. The National Coordination Committee under my chairmanship is also ready to provide policy support and other required assistance in this regard to implement the action items enunciated in this Strategy.

As the eleven strategies have focused more on implementation and effectiveness issues, I hope we will go a long way in further strengthening our AML & CFT regime and thereby achieve the status of a middle income country by 2021 establishing a robust and stable financial system through implementation of the national strategy 2019-2021.

A H M Mustafa Kamal, FCA, MP

Finance Minister

Government of the People's Republic of Bangladesh

Preface

National Strategy for Preventing Money Laundering and Combating Financing of Terrorism is a well-articulated roadmap for implementation of action plans in an organized manner in a three year period. In fact, like the previous National Strategies, National Strategy for Preventing Money Laundering and Combating Financing of Terrorism 2019-2021 also manifests needed action and outcome that Bangladesh intends to achieve during the period. Bangladesh MER, 2016 has guided to a great extent to identify things to do to eliminate gaps for further strengthening of AML & CFT regime. The strategy is indeed the nation's sincere commitment to combat offences like money Laundering and terrorist financing recognizing impediments to overcome and assigning all relevant agencies and authorities with appropriate actions.

For further implementation and effectiveness of AML & CFT measures, the Strategy prioritizes actions focusing more on preventing proceeds of crime from getting integrated into the financial system or siphoned off through establishment of appropriate tools and mechanism such as quality financial investigation, proper confiscation mechanism restricting channels of illicit financial flows. In developing the strategy due considerations were given to comments and suggestions obtained from all relevant stakeholders.

The National Strategy for Preventing Money Laundering and Combating Financing of Terrorism 2015-17 was mostly successful as 71 action items were fully implemented, 36 action items were partially implemented and 31 action items were in ongoing implementation phase at the end of 2017. However, during 2018 some of the unfinished action items were fulfilled and the remaining action items have been included in this Strategy.

This national strategy like the previous one consists of eleven strategies each of which has been devised to attain specific strategic objective. Ensuing challenges, actions needed to overcome the challenges, legal instruments, required budgets and responsible agencies to implement the strategies within the specified timeframe have been elaborated with sufficient details and guidance.

Preparing a time bound detailed implementation plan, well- coordinated and proper reporting system to the National Coordination Committee (NCC) and Working Committee by the responsible agencies, inter agency coordination and collective efforts are essential to implement the strategies effectively. Challenges and impediments, as identified in the strategy, are expected to be mitigated efficiently by active support and guidance from the NCC.

In response to the evolving nature of crimes like ML & TF and our commitment to combat them effectively for a sound and stable financial system the strategy is embodiment of national commitment. And to combat ML & TF effectively for a sound and stable financial system the strategy is the most effective tool for use and follow. To remain up to date for an effective AML & CFT regime, corrective measures will be taken upon periodic review.

Statement of Commitment...



Anti Corruption Commission

The Anti-Corruption Commission (ACC) is an independent and self-governed statutory body, responsible for both enforcement and prevention of corruption and money laundering. Since the establishment of ACC, it has relentlessly been fighting corruption and money laundering in line with the mandate articulated in the related laws. Over the period, ACC has achieved a fair amount of success in the AML field. The Money Laundering cases investigated by ACC, resulted in 100% conviction. ACC works in close cooperation with BFIU, CID and other law enforcing agencies. ACC, as the lead agency, with the assistance of BFIU and CID, prepared National Risk Assessment Report thrice to address Corruption and ML risks which facilitated the formulation of AML policy of Bangladesh. For effective investigation and successful prosecution, ACC has established a dedicated AML wing with additional workforce. The investigators of ACC freeze, attach and seize proceeds of crime at the primary stage of enquiry and/or investigation. Therefore, for proper management of frozen, attached, seized and confiscated assets, ACC has recently established an Asset Management Unit. This Unit guides and advises the ACC investigators to identify proceeds of crime at an early stage and take quick actions to freeze or restrain to ensure that such assets are not dissipated. With regards to the preparation of this National Strategy Paper, ACC has also been actively involved with other stakeholders. I would like to reaffirm that, ACC would be committed to successful implementation of the action items outlined in this Strategy Paper.

Iqbal Mahmood

Chairman, Anti Corruption Commission



Attorney General's Office

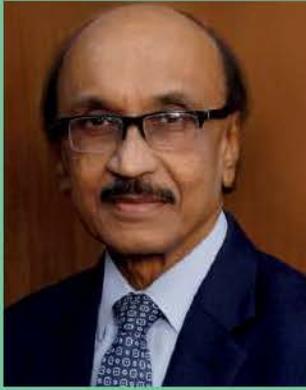
The Attorney General for Bangladesh is the Chief Legal Adviser of Republic. The Attorney General is the ex-officio Chairman of the Bangladesh Bar Council and accordingly he performs the duties assigned to that post and empowered to participate in any reference to the Supreme Court of Bangladesh made by the President under Article 106 of the Constitution and can express his own opinion. In the performance of his duties, the Attorney General shall have the right of audience in all courts of Bangladesh under Article 64 of the Constitution of Bangladesh.

The Office of Attorney General of Bangladesh is the key agency that represents the Government in matters on Money Laundering and Terrorist Financing prosecutions specially in the Supreme Court of Bangladesh, but if needed can appear before any court of the Country. This office is also providing Mutual Legal Assistance and International Cooperation to foreign countries. The Mutual Legal Assistance in Criminal Matters Act, 2012 provides the Office of the Attorney General to deal with MLA matters with foreign countries. Additionally, Office of Attorney General is leading the task force of Stolen Asset Recovery (StAR) which successfully recovered laundered money from abroad. Therefore, I am committed that we will be energetically involved to complete the tasks of prosecution, Mutual Legal Assistance and StAR which are outlined in this Strategy.

Mahbubey Alam

Attorney General of Bangladesh





Bangladesh Bank

Bangladesh Bank, as central bank of the country, plays the most significant role in combating money laundering (ML), terrorist financing (TF), and financing proliferation of weapons of mass destruction (PF). As financial crimes like ML, TF and PF are the biggest hurdles to achieve vibrant and robust economic growth and macroeconomic stability, Bangladesh Bank has been extending all out support to Bangladesh Financial Intelligence Unit (BFIU) in combating these menaces. Ensuring sound corporate governance, curbing illegal hundi activities and supervising compliance of the reporting organizations are some of the key priorities of the central bank. Moreover, with the threat of increasing illicit outflow and cyber crime in recent times, Bangladesh Bank is making comprehensive efforts to thwart these threats through combating trade based money laundering and emphasizing technology based solutions. Bangladesh Bank also regards the

operational independence of BFIU and has been providing necessary supports to the Unit in a bid to further strengthening national AML & CFT regime. Bangladesh Bank facilitated the successful implementation of the previous national strategy paper and thereby significantly contributed to Mutual Evaluation of Bangladesh. Likewise, Bangladesh Bank remains committed to providing all cooperation for the successful completion of the action items outlined in the Strategy.

Fazle Kabir

Governor, Bangladesh Bank



National Board of Revenue

The National Board of Revenue (NBR) is the revenue authority of Bangladesh contributing to the development of the country by mobilizing internal resources and collecting about 90 percent revenue of the country. NBR is also playing a key role in combating money laundering, terrorist financing and financing of proliferation of weapons of mass destruction. With ever growing threats and vulnerabilities of illicit flow of funds, tax evasion, transfer mispricing, trade based money laundering and gold smuggling, NBR is making enhanced efforts to mitigate these risks. To that end NBR always gets actively involved in the process of formulation of National Strategy for Preventing Money Laundering and Combating Financing of Terrorism.

Effective inter-agency and inter-governmental cooperation is required to successfully combat money laundering, terrorist financing and other cross-border crimes. Through Coordinated Border Management (CBM), exchange of information and other holistic approaches undertaken in cooperation with other agencies and authorities at domestic and international level, NBR is successfully dealing with issues like smuggling, human trafficking, cross border transportation of currency, cross border tax evasion and breaches of declaration/disclosure system.

NBR will make all out efforts to combat ML, TF & PF and implement all relevant UNSCRs. I am confident that NBR will ensure successful implementation of all the actions as stipulated in this strategy.

Md. Mosharraf Hossain Bhuiyan, ndc

Senior Secretary, Internal Resources Division (IRD), Ministry of Finance
& Chairman, National Board of Revenue (NBR)

Ministry of Law, Justice and Parliamentary Affairs

Legislative and Parliamentary Affairs Division is firmly committed to play a key role for the purpose of framing all those legal instruments so as to combat terrorism, financing of terrorism, prevention of money laundering and other incidental issues. Bangladesh has already enacted Money Laundering Prevention Act, 2012, Anti-terrorism Act, 2009, Mutual Legal Assistance in Criminal Matters Act, 2012, etc. in order to fulfill its obligation under UN Security Council resolutions, relevant UN Conventions and FATF recommendations. Any further legal reform, as and when required, will be accelerated on an urgent basis following the decisions of National Co-ordination Committee (NCC). This strategic paper reaffirms the commitment of Bangladesh to strengthen Anti-Money Laundering (AML) and combating financing of terrorism (CFT) issues. Hopefully, the focal points of different Ministries/Divisions and the primary contact points of different government agencies for implementing all those legal frameworks will play an active role so that Bangladesh may continue to be a compliant country towards implementation of UN Conventions, resolutions and FATF recommendations.



Mohammad Shahidul Haque

Senior Secretary, Ministry of Law, Justice and Parliamentary Affairs

Ministry of Foreign Affairs

I welcome the adoption of the National Strategy for Prevention of Money Laundering and Financing of Terrorism 2019-2021 and hereby commit to remain closely involved with other stakeholders in the ongoing efforts to strengthen the national anti-money laundering and combating financing of terrorism (AML& CFT) Regime. Ministry of Foreign Affairs is ready to give its advice and provide, wherever appropriate, its assistance to implement the strategy within and beyond national jurisdictions.

In line with Bangladesh's Policy of 'zero-tolerance' against terrorism, Ministry of Foreign Affairs remains committed to do its part towards implementing this National Strategy through coordinated counter-measures against money laundering and financing of terrorism following the international norms and standards. We coordinate the work of the National Committee of the UN Security Council Resolutions (UNSCR) and Pledge to continue to work towards capacity building of the national institutions through trainings organized with the support of UN and other international bodies.



Md. Shahidul Haque

Foreign Secretary (Senior Secretary), Ministry of Foreign Affairs



Financial Institutions Division, Ministry of Finance

It gives me immense pleasure that the 'National Strategy for Prevention of Money Laundering and Combating Financing of Terrorism 2019-2021' has been finalized. In this regard, I thank and congratulate all my colleagues and concerned officials of Financial Institutions Division (FID) as well as all other relevant organizations and agencies for their dedicated efforts and relentless support throughout the whole process. I would also like to express my deepest gratitude to the honorable Finance Minister who is acting as the convener of the National Coordination Committee (NCC) on AML & CFT. Since long Financial Institutions Division has been working as the core agency in coordinating with all the relevant agencies for upholding AML &

CFT regime in Bangladesh and is successfully playing an important role in different international forums such as APG and FATF for enhancing AML & CFT measures of Bangladesh. I assure that Financial Institutions Division will continue and further strengthen its efforts in ensuring the effective implementation of all AML & CFT initiatives and successful completion of all the actions which are set down in the framed strategy. I seek everybody's cooperation in this journey.

Md. Ashadul Islam

Senior Secretary, Financial Institutions Division, Ministry of Finance



Bangladesh Securities and Exchange Commission

BSEC is very much concerned about vulnerabilities with respect to money laundering and terrorist financing through the capital market which may affect the country's normal course of economic activities. BSEC is firmly committed to prevent this in the capital market and set appropriate control mechanism, and to extend all sorts of cooperation and integration with national coordination bodies and enforcement agencies. As part of legal framework, capital market intermediaries have been included in the Money Laundering Prevention Act, 2012 and Anti Terrorism Act, 2009, as the reporting agencies for reporting suspicious money laundering and terror financing activities in the market. BSEC has established an AML/CFT Cell at the Commission to strengthen preventive and regulatory measures against

money laundering and terrorist financing activities in the capital market as per the requirement of the Money Laundering Prevention Rules, 2019, and instructed all market intermediaries to comply with the AML/CFT related laws and guidelines. Along with these, creating awareness of these issues in the market is an ongoing process. I am confident that BSEC will address all the capital market issues as mentioned in the National Strategy for prevention of Money Laundering and Combating Financing of Terrorism 2019-2021.

Dr. M. Khairul Hossain

Chairman, Bangladesh Securities and Exchange Commission

Ministry of Home Affairs

The Public Security Division under the Ministry of Home Affairs is solely responsible for maintaining internal law and order situation of the country as well as ensuring safety and security in public life. External policy and engagement of a country is primarily based on the domestic policies and requirements. Our internal security policies are furnished keeping international commitment and priorities in effective consideration. Under this division, different departments and agencies especially Bangladesh Police are working on the issues regarding global terrorist financing and money laundering under the legal framework of Anti-Terrorism Act, 2009 and Extradition Act, 1974. Bangladesh Police has been working as the investigation agency against terrorist financing according to the provision of ATA. This division is also designated as the Central Authority for Bangladesh under the Mutual Legal Assistance in Criminal Matters Act, 2012. The Public Security Division is the Central Authority for Coordinating of all Law enforcing agencies to combat money laundering, terrorist financing and preventing proliferation of weapons of mass destructions.

The undersigned is committed and confident enough that this division will be effectively involved with all activities which are enshrined in this strategy.

Mostafa Kamal Uddin

Secretary, Public Security Division
Ministry of Home Affairs



Bangladesh Police

The National Strategy on AML/CFT document encompasses the roles and obligations of concerned agencies to combat money laundering, terrorist financing, legal and operational challenges, scope and responsibilities of different stakeholders. It is a great pleasure to know that the final draft of National Strategy for Preventing Money Laundering and Combating Financing of Terrorism 2019-2021 has been scrutinized by the concerned agencies and will be launched soon. Bangladesh Police is firmly committed to combat money laundering and terrorist financing in the country upholding human rights and international standards in every step. In preparing this document Bangladesh Police has played an important role. Opinions of Bangladesh Police and other stakeholders have been incorporated properly in the document. I believe, this national strategy will pave the way for Bangladesh Police to strengthen its roles and thus contribute to proper investigation of money laundering and terrorist financing. Finally, I would like to convey my best appreciation and thanks to all the members of the committee who took part in preparing and finalizing this national strategy.

I wish the stakeholders/concerned agencies all the best in their fight against money laundering and terrorist financing.

May Bangladesh live forever.

Dr. Mohammad Javed Patwary, BPM (Bar)

Inspector General, Bangladesh Police





Ministry of Commerce

The Ministry of Commerce plays a pivotal role in pursuing a fair trading system for the benefit of the people of the country. With the rapid growth of trade and its diversification in international arena, chances of illegal activities based on trade have also been increasing and many of such activities pose a threat to global peace and security. Money laundering is one of such activities that act as a vital tool for smuggling, arms and human trafficking, terrorist financing. As part of the international community, Bangladesh is committed to prevent and combat such illegal activities. Ministry of Commerce has been working relentlessly to keep the country free from all illegal and undesirable activities relating to trade. The

Ministry of Commerce along with its agencies is firmly committed to combat money laundering and financing of terrorism with zero tolerance. I believe, proper implementation of this strategy will further enhance our capacity to prevent and combat money laundering, terrorist financing and other similar ominous activities.

Md. Mofizul Islam

Secretary, Ministry of Commerce



Bangladesh Financial Intelligence Unit

In an effort to ensure a robust Anti Money Laundering & Combating Financing of Terrorism (AML & CFT) regime in the country, Bangladesh Financial Intelligence Unit is working relentlessly since inception. As a national central agency the unit performs the role of national analysis centre to receive and analyze Suspicious Transaction/Activity Report (STR/SAR), information and complaints, media reports etc. and disseminate intelligence to law enforcement and investigating agencies. Coordination and cooperation with different government agencies, regulators, investigators, law enforcement agencies, prosecutors and liaison and agreement with foreign governments/institutions and international organizations for development of actionable financial intelligence through smooth exchange of information are some of the salient functions of the unit. Bangladesh has achieved the status of a 'Compliant Country' in AML/CFT regime and to uphold

the status BFIU is working actively with the cooperation of different government agencies and reporting agencies. As a convener of the strategy drafting committee, I acknowledge tremendous support from different government agencies while drafting the strategy and I hope in implementing the strategy all the stakeholders shall put sincere efforts. Several strategies of this paper are directly linked with BFIU and as a specialized agency for maintaining AML & CFT regime, BFIU is committed to complete the action items delineated in this strategy.

Abu Hena Mohd. Razee Hassan

Head of Bangladesh Financial Intelligence Unit

Department of Narcotics Control

Department of Narcotics Control (DNC) plays a pivotal role to control drug abuse as well as investigate to unearth drug induced criminal activities. Billions of dollars are being laundered internationally; Bangladesh is not an exception to this practice. Money laundering is not only posing a threat to the financial system of countries but it may destabilize their vibrant economies and national securities. Admittedly, drug trafficking is a highly profit driven and transnational crime and most drug traffickers hide their ill-gotten money by layering through the different local and international financial institutions. In recent days, growing trends of demand and supply scenario of drugs manifest the huge prevalence of money laundering used by drug traffickers. The UN Convention against Illicit Traffic in Narcotics Drugs and Psychotropic Substances emphasize pragmatic measures to make the confiscation process fruitful regarding drug related cash and property. DNC appreciates policy review in relation to investigation techniques in the proposed National AML& CFT strategy and I am profoundly confident that this strategy will open up a new horizon and bring desired economic discipline in society.

Md Jamal Uddin Ahmed

Director General, Department of Narcotics Control



NGO Affairs Bureau

As the regulatory authority under Prime Minister's Office, NGO Affairs Bureau (NGOAB) is working to facilitate and promote NGO activities in Bangladesh. To ensure the proper use of foreign funds and maximize the welfare of targeted beneficiaries and underprivileged people this bureau is working relentlessly. Considering the vulnerabilities of money laundering and terrorist financing in NGO sector NGOAB has taken steps to strengthen organizational capacity to combat terrorist financing and money laundering. The Government has enacted a new law 'Foreign Donations (Voluntary Activities) Regulation Act, 2016' inserting provisions against ML & TF. NGOAB has also extended its networking system with foreign donation receiving NGOs in Bangladesh and asked all NGOs to examine the nature and credentials of donor agencies/organizations and taken initiative to strengthen its inspection and monitoring mechanism to reduce the threat of ML and TF.

Let me assure and affirm our organizational commitment for effective implementation of the strategy.

K.M. Abdus Salam

Director General

NGO Affairs Bureau, Prime Minister's Office



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Background

Background

Bangladesh is a founding member of the Asia Pacific Group on Money Laundering (APG) and has been participating in APG's annual plenary meetings since 1997. APG is a FATF style regional body that enforces FATF standards on AML & CFT in Asia Pacific region. As a member of APG, Bangladesh is committed to implement FATF Recommendations. Accordingly, Bangladesh promulgated Money Laundering Prevention Act (MLPA), 2002 which came into force on 30 April, 2002. In fact, Bangladesh was the first among the South Asian countries to enact MLPA. The first Mutual Evaluation (ME) of Bangladesh was conducted by a joint team of World Bank and International Monetary Fund in October, 2002 and adopted by APG in September, 2003.

To address the shortcomings of MLPA, 2002 and to meet international standards Bangladesh enacted Money Laundering Prevention Act (MLPA), 2009. To combat terrorism and terrorist financing effectively, Bangladesh also enacted Anti Terrorism Act (ATA), 2009.

The 2nd round of AML & CFT Mutual Evaluation of Bangladesh had been conducted in August, 2008. The report was adopted by the APG Plenary in July, 2009. The Mutual Evaluation Report contained a comprehensive assessment of the AML&CFT regime of Bangladesh along with some vital recommendations. Bangladesh took the MER seriously and prepared an action plan to implement recommendations made in the MER.

According to the FATF procedure, considering the rating of 16 core and key recommendations of FATF in the MER 2009 Bangladesh was placed in the International Cooperation and Review Group (ICRG) process in October 2010. In response to the ICRG process Bangladesh developed a time bound action plan and implemented all the action items accordingly and came out of the ICRG process in February, 2014.

In line with the national action plan Bangladesh has enacted MLPA, 2012 replacing MLPA, 2009 and Mutual Legal Assistance in Criminal Matters Act, 2012. The Anti Terrorism Act was amended in 2012 and 2013, to ensure compliance with the relevant UN Conventions and UN Security Council Resolutions concerning terrorism, terrorist financing and proliferation financing of WMD. In 3rd round Mutual Evaluation of Bangladesh conducted in 2015, in technical compliance there was no non compliance rating in any

FATF recommendation. To mitigate the gaps identified in the ME Report Bangladesh is taking all necessary steps.

MLPA empowers the FIU to enter into MoUs with foreign FIUs to receive and request information in relation to money laundering offences or suspicious transactions. To facilitate exchange of information and intelligence among FIUs, Bangladesh FIU has already signed 68 (sixty eight) MoUs with other foreign FIUs. Several other MoUs are currently under process for signing.

The 'National Strategy for Preventing Money Laundering and Combating Financing of Terrorism 2019-2021' identifies areas requiring high level focused attention from concerned authorities and government agencies. To fulfill Bangladesh Government's commitment to implement the FATF 40 recommendations, relevant UN Conventions and Protocols and UN Security Council Resolutions related to ML, TF and PF the Strategy assigns all relevant agencies with specific actions to be done within a stipulated time frame. Recognizing AML & CFT initiatives as multi agency responsibilities the Strategy emphasizes increasing coordination and cooperation among law enforcement, investigating and regulatory authorities.

Vision

To be an efficient and responsive country that plays a leading role within the region and the global community in fighting money laundering, terrorist financing and financing proliferation of weapons of mass destruction



Mission

To develop an effective anti money laundering and combating financing of terrorism system in Bangladesh through implementing international standards and best practices by engaging all concerned agencies

**National Strategy for
Preventing Money Laundering and
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2019-2021**



Strategic Objectives

Strategies

1.

To curb illicit financial flows from the country

Stemming illicit flow of funds (IFF) by preventing the generation of proceeds of crime, restricting channel of illicit transfer and strengthening stolen asset recovery mechanism.

2.

To reduce the magnitude of trade based money laundering

Providing tools and techniques and cementing stakeholders' cooperation to minimize trade based money laundering.

3.

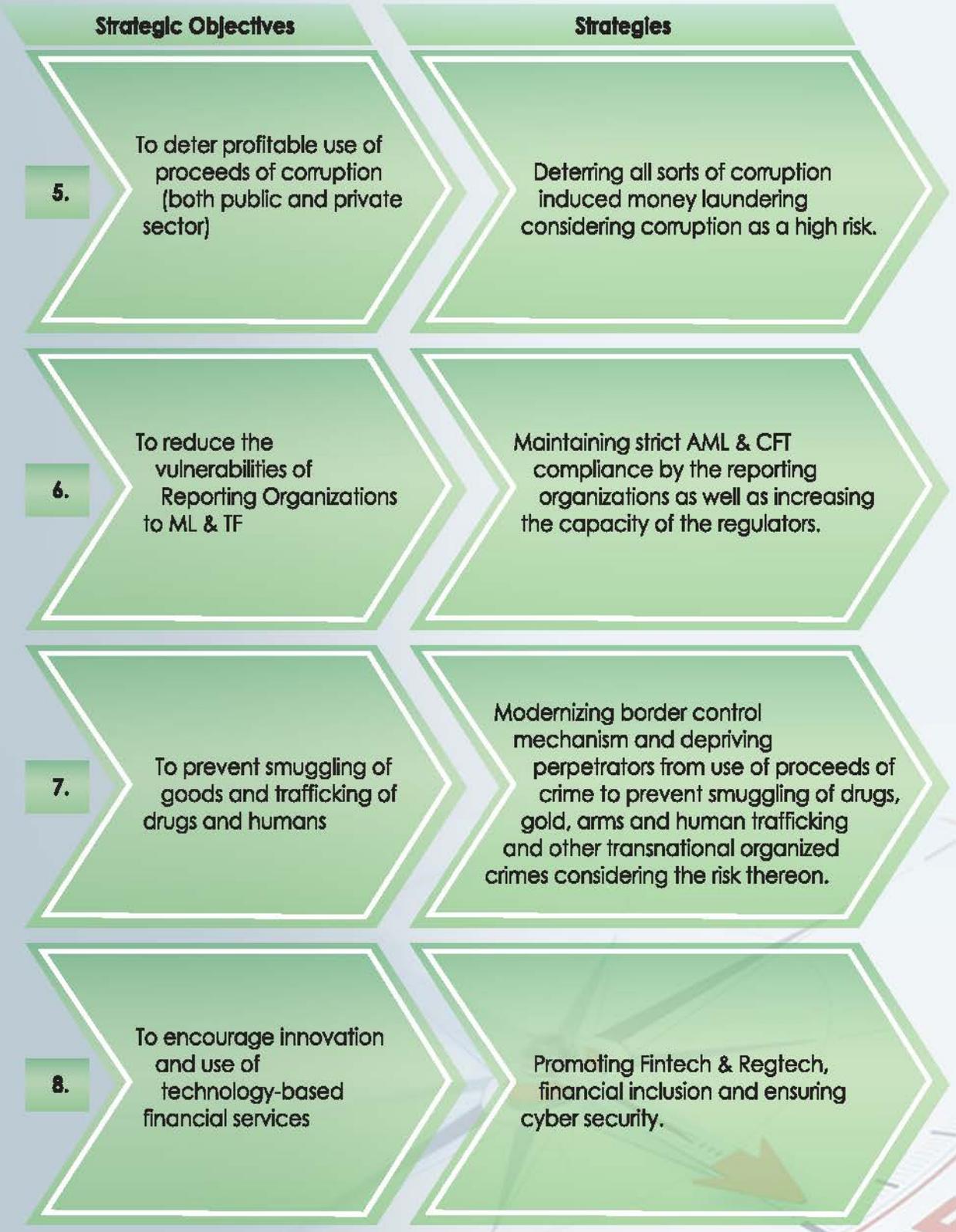
To improve the quality of financial investigation

Prioritising the investigation of ML, TF and other related offences including tracing, restraint and confiscation of proceeds of crime by law enforcement agencies.

4.

To ensure proportionate and dissuasive sanctions expediting the prosecution;

Developing effective judicial system by providing required resources and training to the judges and prosecutors.



Strategic Objectives

Strategies

9.

To deprive the offenders from the consumption of proceeds of crime

Ensuring systematic freezing and confiscation of proceeds of crime and managing them effectively.

10.

To mitigate risk of abuse of the legal persons and arrangements for ML & TF purposes;

Promoting transparency in the ownership of legal persons and legal arrangements through strengthening legal and institutional arrangements.

11.

To preclude the use of corporate vehicles from generating illegal proceeds.

Ensuring sound corporate governance in the ROs and other corporate vehicles so that they can't be abused for generating proceeds of crime.

Strategy-1

Stemming illicit flow of funds (IFF) by preventing the generation of proceeds of crime, restricting channel of illicit transfer and strengthening stolen asset recovery mechanism.

Every year a huge amount of money is drained out from the developing countries to the developed ones illegally. These illicit financial flows empty resources from developing countries that could be utilized to finance basic public needs, such as health care, education and housing. In addition to depleting resources illicit financial flows pose a risk to the stability of domestic financial market, contributes to suboptimal investment decisions, undermines tax transparency and accountability between citizen and state and widens income inequality. The negative impact of IFFs is detrimental to all countries, however, the social and economic impact on developing countries like Bangladesh is more corrosive given their smaller resource base and markets. Worse, many of the effects may interact in a vicious cycle: for example, if money laundering enables corrupt politicians to safely hide proceeds of corruption, this will help them to retain power by shielding them from proper accountability, which may further enable them to corrupt the institutions responsible for detecting money laundering and crime and so on. Considering these devastating impacts of IFF United Nations, in its Sustainable Development Goal (SDG), has taken a goal (goal number 16.4) to significantly reduce illicit flow of funds by 2030.

Stemming IFF requires a comprehensive approach including deterring the generation of proceeds of crime through ensuring rule of law, strengthening preventive measures specially reporting from ROs, detecting IFF, restricting the channels of IFF, developing the quality of financial intelligence, investigating and prosecuting effectively, enhancing stolen asset recovery initiatives.

Generating proceeds from crime is one of the main driving forces of illicit financial flows. These proceeds are then used to induce other crimes like tax evasion and money is transferred to tax havens. Even the income earned from legal sources and the assets acquired through legitimate means may become undeclared due to misreporting of the value of assets and income. One good example is the transfer of real estate often registered at much below

the actual price. It facilitates tax evasion and creates undeclared money. According to the provisions of Foreign Exchange Regulation Act, 1947 capital account is not convertible. It means no capital transfer is allowed without special permission. Moreover, smuggling of money or property earned through legal or illegal means is money laundering offence under the provision of Money Laundering Prevention Act (MLPA), 2012.

Different studies conducted by independent research organizations or international bodies revealed that the main sources of IFF are 'grand corruption' by public officials and 'influential persons', (Strategy-5) proceeds of different organized crimes like smuggling, drug and human trafficking (Strategy-7), loan scam and quick write-off (Strategy-11), fraudulent activities, remittance by illegal foreign workers or illegal remittance by foreign employees, legally earned but illegally transferred money violating exchange control and tax evidence. The main motivations of IFF are hiding the proceeds of crime, financing smuggling and other criminal activities, tax evasion, avoidance of exchange control regulation or other regulatory measures, safe and secure investment, portfolio diversification, elevating lifestyle by becoming citizens of a developed country.

Independent studies and IFF cases suggest that main destination of IFF from Bangladesh are developed countries and tax haven jurisdictions like the USA, UK, Canada, Australia, Singapore, Hong Kong, UAE, Malaysia, Cayman Islands, British Virgin Islands etc. Investment visa, permanent residency, long term residency, second home project, relaxed exchange control encouraged Bangladeshis to siphon fund there.

In draining funds trade based money laundering (TBML) (Strategy 2 provides detailed techniques of and measures to curb TBML), Hundi/Hawala, bulk cash smuggling and transfer pricing manipulation are used commonly. However, two emerging typologies of IFF from Bangladesh warrant further attention from the respective agencies. First, foreigners having tourist visas and earning money in Bangladeshi firms are transferring huge amounts of money. The second is the advertisement or sponsorship cost paid by domestic firms to foreign electronic and social media.

While some of the effects of IFF may, in theory, be calculable, others are not, in particular the knock-on effects of profitable use or secure transfer of proceeds of crime encouraging further crime and the impact on political institutions. In this regard, AML & CFT regimes are effective tools to prevent illicit funds from being held, received, transferred and managed by major banks and financial centers. Therefore, stringent AML & CFT measures as well as stolen asset recovery procedures should be kept in place accordingly.

Expected Outcome

Significant reduction of illicit flow of funds from Bangladesh.

Challenges

- Tracing bulk cash smuggling depends on high-tech capacity and expertise.
- Expansion of formal channels to all expatriate employees is difficult.
- Exchange of information between local authorities to detect IFF is time consuming.
- Effective stolen assets recovery requires high level political commitment and institutional capabilities.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
1	Conduct a study to find out the amount of IFF from Bangladesh, how and where they are siphoned to.	BFIU, NBR, ACC	MLPA, 2012 FERA, 1947	Dec 2020	ACC, BB, NBR
2	Support in conducting the study of IFF by providing information relating to special visa or immigration facilities and tax haven.	MoFA	Customs Act, 1969	Dec 2020	GoB
3	Conduct a study to identify number of Bangladeshis getting 'investment visa', 'second home', long term stay visa, dual citizenship and the amount of fund (if any) transferred to get visa.	BFIU, SB, ACC, MOFA	MLPA, 2012 FERA, 1947	Dec 2019	BB, BP, ACC
4	Conduct a study to find out how many foreign employees are working in Bangladesh and how they are remitting funds to their home country.	SB & CID of BP, MoFA		Dec 2019	BP
5	Conduct a strategic analysis to find out how the advertisement costs in foreign media are being paid and payment of e-commerce site are being made.	FEPD of BB CID of BP	MLPA, 2012 FERA, 1947	June 2020	BB, BP
6	Conduct a strategic analysis to find out the siphoned money from loan scam, off balance sheet funding to balance sheet funding and quick write off.	BFIU, Banks	MLPA, 2012	Dec 2019	BB
7	Undertake necessary tax policy reforms to prevent the generation of undeclared money and to tackle tax evasion.	NBR	Income Tax Ordinance, 1984	June 2020	NBR
8	Undertake reform initiatives on exchange control policy focusing on IFF.	BB	FERA, 1947	June 2020	BB
9	Ensure a robust, modern and efficient international tax administration for tackling transfer mispricing and other cross-border schemes using offshore jurisdictions and shell companies.	NBR	Income Tax Ordinance, 1984	Ongoing	NBR
10	Empower customs authority to identify over-invoicing, under invoicing, over shipment, under shipment or phantom shipment not only for customs purposes but also to curb illicit flow of funds.	MoF, NBR	Customs Act, 1969; MLPA, 2012	Ongoing	NBR
11	Design and develop a system for effective declaration /disclosure of currency entering into or departing from Bangladesh and for currency or BNIs mailed or shipped into or out of Bangladesh.	NBR, BFIU		Dec 2019	NBR
12	Continue sharing information relating to cross border declaration between Customs and BFIU.	Customs, BFIU	FERA, 1947; Customs Act, 1969	Ongoing	NBR
13	Develop procedures for effective inter-agency cooperation and coordination on matters related to cross-border transportation of currency, including for exchange of information and investigation of breaches of declaration/disclosure system.	NBR, BFIU		Ongoing	NBR
14	Encourage banks to establish more drawing arrangement abroad to facilitate inward remittance through formal channel.	BB, BFIU	FERA, 1947	Ongoing	BB, BFIU
15	Encourage banks and other legitimate payment service providers to widen the network of collection and disbursement of remittance at a minimum cost.	BB, BFIU, Banks		Ongoing	BB, BFIU
16	Identify any use of unregulated informal remittance services and investigate in cooperation with BFIU.	BB, BFIU, BP	FERA, 1947 MLPA, 2012	Ongoing	BB, BFIU, BP

Strategy-2

Providing tools and techniques and cementing stakeholders' cooperation to minimize trade based money laundering.

Trade-based money laundering is the process of disguising the proceeds of crime through the use of trade transactions in an attempt to legitimize their illicit origin. The common forms of trade based money laundering are over invoicing, under invoicing, over shipment, under shipment, phantom shipment and using criminal proceeds to buy gems or precious metals. Trade based money laundering may also be used by informal value transfer system to settle accounts. However MLPA, 2012 criminalized smuggling of money or property from Bangladesh whether earned through legal or illegal means as money laundering offence. While defining 'smuggling of money or property', MLPA covers over invoicing in importation, under invoicing in exportation and non realization of export proceeds on time.

Global Financial Integrity (GFI), a non-profit, Washington, DC-based research and advisory organization, identified that 87% of identified IFF from developing countries are done through trade misinvoicing. This represents 12.4 % of total trade of developing countries during the 2006-15 and illicit outflow from Bangladesh is 17.5% of our total trade during 2006-15. Besides, to disguise the source of proceeds of crime criminals smuggle money to countries widely known as tax haven countries. Moreover, multinational companies undertake transfer pricing mechanism to avoid tax or revenue or transfer their profit.

Review of several case studies revealed that illicit out flows from Bangladesh i.e TBML is done through over invoicing of low taxed imported goods and services like capital machinery, raw materials, computer accessories, software, industrial design, factory installation or goods and services ascertaining the price of which is hard; phantom import; import with mis-declaration; under invoicing of exported goods and services; irrational discounting of exported items or non repatriation of export proceeds. Manipulating description of the imported products or even without importing products payment is made against documents.

In an international trade transaction, besides exporters and importers, several agencies like Bangladesh Bank, commercial bank, customs authority, port authorities, transport companies and their agents are involved. So, preventing TBML in Bangladesh requires taking them all onboard. The authorities in Bangladesh are taking all possible steps to prevent TBML. The online connectivity has been established among the custom houses under National Board of Revenue (NBR), Bangladesh Bank and all the scheduled banks. BFIU should be connected with this network. The Transfer Pricing Unit (TPU) of NBR has also started functioning. Bangladesh Bank has updated Guidelines for Foreign Exchange Transaction for the officials of scheduled banks engaged in international trade. The International Chamber of Commerce (ICC), Bangladesh, and Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) have started working closely with the scheduled banks to prevent the misuse of international trade. The scheduled banks have also been instructed to follow fair pricing policy.

With the amendment of MLPA in 2015, NBR is empowered to investigate TBML cases and this agency has assigned this job to its Customs Intelligence and Investigation Directorate (CIID). Meanwhile CIID has taken several initiatives and BFIU is working very closely with CIID in this regard. Since TBML generally is conducted in connivance with related parties, in most of the cases it may require joint investigation under MLPA.

Expected Outcome

Magnitude of TBML will come down and perpetrators will be brought before justice by applying dissuasive sanctions.

Challenges

- Pricing of goods and services is difficult in respect of production and quality;
- No defined shipping routes or goods that will be transacted in those shipping routes;
- Use of repeatedly amended or frequently extended Letter of Credit;
- Use of shell companies or front companies.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
1	Issue guidelines for banks to prevent TBML.	BFIU	MLPA, 2012	Oct 2019	BB
2	Ensure price verification while issuing or advising LC by any commercial bank.	BB, BFIU, Banks	BFIU Circular & BB Guidelines	Dec 2019	BB, Banks
3	Establish own database in every commercial bank to confirm about the competitive price of imported items and fair price of exportable items.	BB, BFIU, Banks	FERA, 1947; Customs Act, 1969	Dec 2019	Banks
4	Establish connectivity of BFIU with ASYCUDA World of NBR.	NBR, BFIU	MLPA, 2012	March 2020	BB
5	Empower customs authority to identify over-invoicing, under invoicing, over shipment, under shipment or phantom shipment not only for customs purposes but also to fight TBML.	NBR, MoF	MLPA, 2012; Customs Act, 1969	June 2020	NBR, MoF
6	Establish separate wing for investigating TBML in the CIID and prosecution wing thereon.	CIID	MLPA, 2012	Dec 2019	NBR
7	Conduct regular meeting on TBML cases between BFIU and CIID.	BFIU, CIID		Ongoing	NBR, BB
8	Provide red flags or indicators on TBML to the banks time to time.	BFIU		Ongoing	BFIU
9	Train customs officials and employees of banks on cross border transactions especially transaction related to international trade.	BFIU, Customs, Banks		Ongoing	BFIU, Customs, Banks
10	Issue guidelines for joint investigation of ML cases.	BFIU, MoLJ&PA, LEAs		Dec 2019	BFIU, MoLJ&PA, LEAs
11	Engage trade bodies like ICC-Bangladesh, FBCCI, BGMEA, DCCI in the fight against TBML.	NBR, BFIU, ICC-Bangladesh, FBCCI, DCCI	Ongoing	NBR, BFIU, ICC-Bangladesh, FBCCI, DCCI	
12	Conduct study on TBML to find out vulnerable channels, products, payment methods and magnitude.	BFIU, NBR	MLPA, 2012	Dec 2020	BB, NBR
13	Support the study on TBML by providing regional information (i.e on price) collecting through own embassies abroad.	MoFA		Dec 2020	MoFA

Strategy -3

Prioritising the investigation of ML, TF and other related offences including tracing, restraint and confiscation of proceeds of crime by law enforcement agencies.

Depriving perpetrators of profitable use of proceeds of crime enhances the synergies of fighting crimes. Effective deprivation from potential use of proceeds of crime largely depends on identification, detection, freezing and confiscation of suspected funds. All these can be materialized through proper financial investigation. The term financial investigation means an enquiry into the financial affairs related to criminal conduct.

In general, organized criminals engaged in drug and human trafficking or gold smuggling may not be in possession of drugs, humans or gold but the proceeds generated from those offences might be in their ownership or in the ownership of their close associates. So, 'follow the money trail' i.e financial investigation will give an extra mileage to the investigators. The major goal of a financial investigation is to identify and document the movement of funds before, during the course of or after criminal activity. The link between the origin of the money, its beneficiary, when the money is received and where it is stored or deposited can provide information about and proof of criminal activity. By identifying the extent of criminal networks, the scale of criminality, by tracing proceeds of crime, funds involved and other proceeds subject to confiscation and by developing evidence which can be used in criminal proceedings, the overall effectiveness of a country's AML&CFT regime will be enhanced.

Under the provision of MLPA, 2012 Anti-Corruption Commission (ACC), Criminal Investigation Department (CID) of Bangladesh Police, Department of Narcotics Control (DNC), Customs Intelligence and Investigation Directorate (CIID), Central Intelligence Cell (CIC) and VAT Audit, Intelligence & Investigation Directorate of National Board of Revenue (NBR), Department of Environment (DoE) and Bangladesh Securities and Exchange Commission (BSEC) are the investigating agencies of ML cases.

ACC, an independent anti-corruption body in Bangladesh, established under Anti-Corruption Commission Act, 2004, has already gained success in effective investigation of some complex financial investigations related with corruption, fraud, embezzlement of government funds and related ML cases. CID of Bangladesh Police with its traditional investigative experience also has demonstrated effectiveness in ML investigations. The other investigating agencies have started enhancing their capacity in those investigations.

Money laundering investigations are mostly financial investigations. It involves collection, collation and analysis of all available information to assist prosecution of crime and depriving them of the proceeds and instrumentalities of crime. Criminals usually like to maintain some degree of control over their assets, and as a result there is usually a 'paper trail' that will lead back to the offender. That paper trail can also be followed to identify additional offenders and potentially the location of evidence and instrumentalities used to commit the crimes. So, financial investigation is the integral part of investigating ML cases. Clear objectives, dedicated action, sufficient resources, training for investigators and use of the legal tools available in a comprehensive, creative, consistent, and committed manner are all important elements of an effective financial investigation strategy. Besides, in some complex cases in Bangladesh, there is a need to conduct joint investigation comprising experts from different fields.

Expected Outcome

More ML cases to be investigated;

More criminal assets to be seized and frozen;

Quality of investigations to be enhanced for proper prosecution and

Increasing rate of conviction.

Challenges

- Lack of centralized database of the required information/documents.
- Shortage of skilled human and technological resources in the LEA.
- Lack of adequate logistics support for investigators.
- Proper training for the incumbents.
- Lack of proper knowledge in applying special investigation techniques like undercover operations, control delivery, intercepting communications etc.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
1	Form dedicated ML and TF Investigation Units and depute committed human resources.	LEAs	MLPA, 2012; ATA, 2009	Dec 2019	LEAs
2	Make parallel and joint investigation fully functional.	LEAs		June 2021	LEAs
3	Arrange proper training programs for all the LEAs' officials at home and abroad.	BFIU and LEAs		Ongoing	BB & LEAs
4	Conduct a review related to use of special investigative techniques for financial investigations, including: interception of communications, accessing computer systems, controlled delivery and undercover operations.	LEAs		June 2021	LEAs
5	Conduct a comprehensive legal review of new investigating authorities like NBR, DNC, BSEC to find out the strengths and weaknesses of those LEAs.	NBR, DNC, BSEC		March 2020	NBR, DNC, BSEC
6	Prioritize the installation of proper IT system and software in the LEAs to develop real time communication with BFIU.	LEAs, BFIU		Dec 2020	LEAs, BFIU
7	Give emphasis on development of meaningful financial intelligence, investigation and prosecution of cases and confiscation of criminally derived assets.	BFIU		Ongoing	BFIU
8	Use wide range of international cooperation during investigation and prosecution.	LEAs, MoHA	MLPA, 2012; MLA, 2012	Ongoing	LEAs, MoHA
9	Support LEAs or central authority to get investigation cooperation.	MoFA		Ongoing	MoFA
10	Support LEAs to make and get response of Letter of Rogatory.	MoFA		Ongoing	MoFA
11	Arrange training for analysts on analytical processes and developing financial intelligence from STRs and CTRs.	BFIU	MLPA, 2012	Ongoing	BFIU
12	Develop a central repository for all statistics collected by national agencies and conduct periodic analyses of the statistics to assist to measuring the effectiveness and efficiency of the AML & CFT system in Bangladesh.	LEAs, BFIU	MLPA, 2012, ATA, 2009	Dec 2019	LEAs, BFIU

Strategy-4

Developing effective judicial system by providing required resources and training to the judges and prosecutors.

Judges and prosecutors are the last and critical part of the AML & CFT value chain. Considering their important role FATF and FSRBs are very much concerned about their effectiveness. While assuming the charges of co-chair, Head of BFIU put proper attention to impart required training to the judges and prosecutors. The global community encourages countries to have strong operational authorities to bring prosecutions and obtain convictions, as well as to seize and confiscate the proceeds and instrumentalities of crime for the benefit of states and victims.

In Bangladesh, the judicial system comprises three adjudicative bodies, the higher judiciary (the Supreme Court), lower judiciary (subordinate courts such as the District and Magistrates Courts) and specialized tribunals established pursuant to statute, such as the special tribunals constituted to hear ML& TF cases. The Supreme Court of Bangladesh comprises the High Court division and the Appellate division. The subordinate Courts in Bangladesh are generally created and governed (powers and functions) by statute. They are divided into two broad classes, the criminal courts and the civil courts. According to the provisions of section 9(2) of Money laundering Prevention Act, 2012, ML cases shall be tried by the Special Judges and according to section 27 of Anti Terrorism Act, 2009, TF cases shall be tried by the Special Tribunal. Rule 51(3) of Money Laundering Prevention Rules, 2019 requires investigator to consult with their own lawyer or Public Prosecutors about charge sheet for successful completion of the case.

However, Mutual Evaluation Report (MER), 2016 mentioned lengthy delays and capacity challenges in the justice system of Bangladesh which undermine effectiveness. The MER also mentioned the serious resource constraints in the courts and the Attorney General's Office (AGO). It mentioned that there is no independent prosecution service and LEAs rely on panel lawyers for prosecutions. Trials of ML and predicate offences are often delayed by many years creating enormous challenges to the system.

The Government has prioritised actions to reduce the backlog of pending cases and has increased the number of lower courts and appointed additional judges and prosecutors, established several Special Tribunals. The Judicial Administration Training Institute (JATI) adds value to the training of the judges in the country, including in relation to financial crime matters. Achieving results in this area of the AML/CFT regime is mainly an issue for prosecutors, judges and investigators, as part of the criminal justice system. From the initiation of an investigation through the sentencing of a defendant, the criminal justice system can involve many governmental actors with different roles who need to coordinate among domestic authorities and international partners to fight ML and TF threats which are increasingly global in nature. The correct functioning of the criminal justice system must be supported by foundational elements such as stable institutions, accountability, integrity, transparency and the rule of law.

Expected Outcome

Criminals and their associates are convicted;
Prosecutions of criminals, confiscation of their assets adds value to the judicial system.

Challenges

- Nature of ML and TF offences are complex and evolving;
- Lengthy process of the criminal justice system;
- Lack of sufficient manpower and resources in the Court.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
1	Establish a legal and institutional basis for an independent prosecution service or attorney service, at least for trial of ML and TF cases.	Law and Justice Division, MoLJ&PA, AGO	The Bangladesh Law Officers Order, 1972;	Dec 2020	GoB
2	Provide required resources/funds to the independent prosecution service and AGO.	MoLJ&PA, AGO	Legal Remembrancer Manual	Dec 2020	GoB
3	Conduct survey to find out required Special Judges and Special Tribunals as well as the resources required for effective functioning of the Court.	MoLJ&PA	MLPA, 2012; ATA, 2009	Dec 2019	GoB
4	Take proper steps to improve court and prosecutorial procedures to streamline the conduct of ML & TF trials.	MoLJ&PA, AGO	MLPA, 2012; ATA, 2009	Dec 2020	GoB
5	Arrange periodic dialogue among Investigators, Prosecutors and Judges to discuss the difficulties in successful prosecution.	AGO, LEAs	MLPA, 2012; ATA, 2009	Ongoing	AGO
6	Ensure consultation of investigators and prosecutors in every ML case.	LEAs	MLPA, 2012; MLPR, 2019	Ongoing	LEAs
7	Provide training to Judges and Prosecutors on AML/CFT issues.	MoLJ&PA, AGO	MLPA, 2012	Ongoing	MoLJ&PA, JATI
8	Find out procedure to avoid undue delay in ML & TF prosecutions.	MoLJ&PA	MLPA, 2012; ATA, 2009	Ongoing	MoLJ&PA
9	Establish a database of ML and TF cases and maintain the case information in digital form.	MoLJ&PA, AGO	MLPA, 2012	Dec 2020	MoLJ&PA, AGO

Strategy-5

Detering all sorts of corruption induced money laundering considering corruption as high risk.

Corruption is the biggest threat to sound and stable financial systems and economic growth of a developing country and there is a close link among corruption, money laundering and illicit flow of funds. So, the fight against corruption is inextricably intertwined with the fight against money laundering. The World Bank study suggests that, corruption is the most important source of ill-gotten money within a developing country. Output of NRA also depicts the same picture of Bangladesh.

Corruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish. Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a Government's ability to provide basic services, feeding inequality and injustice and discouraging foreign aid and investment. Corruption is a key element in economic underperformance and a major obstacle to poverty alleviation and development. Moreover, in most of the cases the proceeds of 'grand corruption' are being siphoned to developed countries that impact the economy more adversely.

In a developing country like Bangladesh, the lion's share of corruption is done by influential persons and government officials but these do not exclude the private sector. These perpetrators generally disguise their ownership of proceeds of crime through corporate vehicles and trust companies and use gatekeepers and nominees to launder proceeds through domestic and foreign financial institutions by using their power to acquire state assets, control law enforcement, and capture banks. These extractive financial tools undermine the potentiality, stability, transparency and accountability of our economy. To fight against those perpetrators, intense effort is required and depriving them of the profitable use of proceeds of corruption is one of the most effective techniques.

Considering the devastating effect of corruption the current government has declared 'zero tolerance' against corruption in their Election Manifesto, 2018. ACC is going to great lengths to detect, investigate, prosecute and deter corruption. Nevertheless, the proceeds of corruption should be tracked down by strictly following AML standards at all levels. Every reporting organization should pay particular attention to the risk of corruption-related money laundering while handling specific types of business relationships, customers, or products and should have in place appropriate risk management systems to determine whether a customer or beneficial owner is an influential person. It must also take specific measures, in addition to performing normal customer due diligence measures for domestic influential persons, persons entrusted with a prominent function by an international organization and government officials.

As the private sector of the economy of Bangladesh is facing deficiency in integrity and transparency, corruption in the private sector has to be dealt with. It is high time for taking appropriate measures regarding maintenance of books and records, financial statement disclosures, accounting and auditing standards and prohibition of establishment of off-the-books accounts, recording of non-existent expenditures and use of false and forged documents.

Expected Outcome

Corrupt officials and individuals will face great pains in disguising the source of the funds derived from corruption. There will be diminished opportunity to place, integrate or hide the proceeds of corruption. They will face difficulties in transferring proceeds of corruption abroad which will ultimately discourage them from being corrupt.

Challenges

- Ensuring rule of law is difficult.
- Most of the reporting organizations are owned and controlled by influential persons.
- Lack of capacity in identification and investigation of corruption cases.
- Direct access to tax file is difficult.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
1	Conduct in-depth corruption risk assessment especially on public procurement, service sector of Bangladesh, state owned banks and control of FIs by influential persons.	ACC, BFIU	MLPA, 2012 ATA, 2009 ACC Act, 2004, UNCAC	Dec 2021	ACC, BB
2	Ensure accountability and transparency in government procurement and service rendered.	ACC Ministries		Ongoing	GoB
3	Digitalize all government services.	ICT and Related Ministries		June 2021	GoB
4	Implement provisions of United Nations Convention Against Corruption (UNCAC).	ACC, MoLJ&PA		Ongoing	ACC, MoLJ&PA
5	Criminalize private sector corruption and corruption by foreign public officials.	MoLJ&PA		Dec 2020	MoLJ&PA
6	Streamline the investigation and prosecution of private sector corruption with proper legal instruments.	ACC, MoLJ&PA		Dec 2019	ACC, MoLJ&PA
7	Continue asset declaration of all influential persons to competent authorities.	ACC, EC		Ongoing	ACC, EC
8	Examine at least 10% of asset declaration statement of MP candidates randomly.	ACC, EC		Ongoing	ACC, EC
9	Detect proceeds of corruption through sharing red flag and case studies with ROs.	BFIU, All ROs		Ongoing	BB
10	Conduct strategic analysis to detect corruption induced ML cases.	BFIU		Ongoing	BB
11	Enhance the capacity of tax authority to identify the undisclosed money or property.	NBR		Ongoing	NBR
12	Enhance the capacity of ACC in detection, investigation and prosecution of corruption-related money laundering including financial, parallel-investigation and forensic accounting.	ACC		Ongoing	ACC
13	Arrange regular training program at home and abroad for the investigators, prosecutors and Judges engaged in corruption and ML cases.	ACC, CID, MoLJ&PA		Ongoing	ACC, CID, MoLJ&PA
14	Create public awareness against corruption and ML by observing day, week or other kinds of mass campaign.	ACC, BFIU		Ongoing	ACC, BB
15	Enhance cooperation among BFIU, ACC, Police and NBR.	BFIU, ACC, CID, NBR		Ongoing	BB, ACC, CID, NBR

Strategy -6

Maintaining strict AML & CFT compliance by the reporting organizations as well as increasing the capacity of the regulators.

The effectiveness of AML & CFT measures starts with the identification of ML&TF cases that depends largely on the performance of or compliance of reporting organizations. For that reason proper emphasis was given on compliance of reporting organizations in the last strategy paper. However, this strategy paper is also emphasizing on compliance across the ROs.

Bangladesh's preventive measures generally reflect a high degree of technical compliance with the FATF standards. This provides a good foundation for the country's ROs to implement measures to understand and mitigate risk and adopt a risk-based approach. But from current situation which is a rules-based approach, the transition to a risk-based approach requires a great deal of work by ROs.

The targeted outreach and supervision by the regulators, i.e. BFIU, BB, BSEC, IDRA, MRA adds value to the regime. Thematic inspections and the application of sanctions is improving ROs' understanding of obligations and risks. The application of CDD measures to identify and verify the identity of their customers (including the beneficial owners) and ongoing monitoring as developed in the banking sector is overly rules based. The level and quality of detection, STR reporting and overall AML/CFT compliance is not yet at an adequate level. The rate of STR reporting amongst banks is steadily improving, but the same is not yet evident in other sectors. Ultimately, it is evident that there are significant unmitigated ML risks across the financial sector.

The level of understanding of AML/CFT obligations and mitigating measures differ between sectors. The regulators and supervisors have identified some deficiencies in the application of mitigating measures which include implementation in relation to beneficial ownership, PEPs and the risk-based approach.

The country has provided a number of risk indicators and red flags to ROs, which add to effectiveness. But this has not provided sufficiently detailed or focused guidance on mitigating specific risks including corruption risks relating to public money. The authorities are planning to involve LEAs with regulators and BFIU to develop additional guidance and further increase outreach to all sectors on a risk sensitive basis on specific risk issues.

The Targeted Financial Sanction (TFS) regime in the country against terrorism has met international standards. The regulators and supervisors have issued guidance and are regularly conducting a lot of awareness raising programs and outreach to banking and other sectors. In addition, this has also been a major area for off-site and on-site supervisory focus. Despite this focus, some challenges still remain in implementation.

Expected Outcome

Criminals will be deterred and prevented from abusing reporting organizations for ML&TF through effective implementation of AML&CFT measures.

Challenges

- Capacity of different sectors is different which creates hindrances to implementing the regime.
- Resource constraints in the regulators and supervisors.
- Location of ROs also creates limitations to supervise them.
- Various ROs like NGOs and DNFBSs are not monitored by any single regulatory body, thus supervision, monitoring and controlling them, are very complicated.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
1	Engage all regulatory authorities, SRBs and associations to create a compliance culture among the reporting organizations.	BFIU, BB, BSEC, IDRA, MRA, DSS, NGOAB, All SRBs, All associations	MLPA, 2012; ATA, 2009; MLPR, 2019; ATR, 2013; BFIU Circular	Ongoing	Respective Agencies
2	Provide enough resources to the AML/CFT units of the regulators.	BB, BSEC, IDRA, MRA, DSS, NGOAB		Ongoing	All regulators
3	Focus on internal controls of ROs and on verification of CDD, identification of beneficial ownership and PEPs, ongoing CDD, and measures to improve the quality and quantity of STRs while inspecting ROs.	BB, BSEC, IDRA, MRA, DSS, NGOAB		Ongoing	All regulators
4	Develop effective and integrated system of monitoring and regulating NGOs among MRA, NGOAB, DSS and other concerned agencies.	BFIU, NGOAB, MRA, DSS		Dec 2019	BFIU, NGOAB, MRA, DSS
5	Enhance vigilance on the NGOs working in the border, coastal or hilly areas.	NGOAB, MRA, DSS, All Intelligence agencies		Ongoing	NGOAB, MRA, DSS, All Intelligence agencies
6	Prioritise outreach and regulation of the securities sector.	BSEC, BFIU		Ongoing	BSEC, BFIU
7	Continue BFIU's effort to achieve a sustainable level of compliance of all reporting organizations.	BFIU		Ongoing	BFIU
8	Develop a comprehensive database on NGOs' activities.	BFIU, NGOAB		Dec 2019	BFIU, NGOAB
9	Issue instructions to Banks and financial institutions regarding dealing with NGO accounts.	BFIU		Dec 2019	BFIU
10	Arrange frequent workshop, seminars to create awareness among NGOs and DNFBSs.	BFIU, NGOAB, All SRBs		Ongoing	BFIU, NGOAB, All SRBs

Strategy -7

Modernizing border control mechanism and depriving perpetrators from use of proceeds of crime to prevent smuggling of drugs, gold, arms and human trafficking and other transnational organized crimes considering the risk thereon.

Due to its geo-strategic location astride South and Southeast Asia, Bangladesh remains vulnerable to transnational organized crimes like smuggling of gold and drugs and human trafficking. Human trafficking to neighboring countries, drug smuggling from and gold smuggling to those countries are the general trend of crimes. Different types of illegal trade as well as contraband items are also smuggled through the borders. It is revealed in different reports of UNODC and UNHCR that Bangladesh is mainly used as a route of drugs and gold smuggling and human trafficking.

Experts refer that gold is used both as a source of illegal funds to be laundered through smuggling or illegal trade in gold and as an actual vehicle for laundering through the outright purchase of gold with illegal funds. Smuggled gold is also used as a means of payment for illegal narcotics and drug trafficking, other transnational organized criminal activities and illegal trade in goods and merchandise. Frequent capture of smuggled gold by law enforcement agencies in recent times demands focused action to curb gold smuggling immediately. In case of human trafficking, as it is a high profit driven crime, it is imperative to find, freeze and forfeit the proceeds of crime.

To prevent gold and drug smuggling and human trafficking modernization of border control is essential. But financial investigation relating to these crimes may also produce synergy because the main perpetrators can be captured through it. The use of financial investigation is particularly important to trace the proceeds of crime in a country in which such proceeds are usually reinvested and laundered. This requires decisive improvements in law enforcement and judicial cooperation. Parallel financial investigation may play a crucial role in depriving the perpetrators from profitable use of the proceeds of crime generated.

Expected Outcome

Human trafficking, narcotics, gold and other smuggling will be curbed so that money laundering and terrorist financing is diminished.

Challenges

- Lack of resources in Customs authority, Border Guard of Bangladesh (BGB) and Bangladesh Coast Guard for border control.
- Despite enhancement of dialogue and cooperation in the region, the level of prosecution remains low compared to the magnitude and frequency of trans-national crimes being committed in the region by trans-national criminal syndicates.
- For investigation of ML cases linked with gold and drug smuggling and human trafficking, the border control authority has to rely on ACC.
- Lack of human & technological resources in Bangladesh Police to tackle ML & TF cases relating to smuggling and human trafficking.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
1	Identify risk areas for narcotics, gold and trade based smuggling and human trafficking & people smuggling.	NBR, BGB, Bangladesh Coast Guard	MLPA, 2012 ATA, 2009 CrPC, 1898	Dec 2019	NBR, BGB, Bangladesh Coast Guard
2	Develop an Operational Manual or Standard Operating Procedure for customs officers and other border control officers to deal with ML & TF cases.	NBR, BGB, Bangladesh Coast Guard	Special Power Act, 1974	Dec 2019	NBR, BGB, Bangladesh Coast Guard
3	Enhance capacity of Bangladesh Police, Border Guard Bangladesh, Bangladesh Coast Guard and Department of Narcotics Control(DNC).	BP, BGB, Bangladesh Coast Guard, DNC	Prevention and Suppression of Human Trafficking Act, 2012	Ongoing	BP, BGB, Bangladesh Coast Guard, DNC
4	Ensure required human and technological resources to Bangladesh Police and other investigating agencies.	BP, BGB, Bangladesh Coast Guard, DNC	Customs Act, 1969	Ongoing	BP, BGB, Bangladesh Coast Guard, DNC
5	Install high power scanner in all sea, land and airports to identify any undeclared/miss-declared items in the container or luggage.	NBR	Narcotics Control Act, 1990	Dec 2019	Bangladesh Government
6	Share all information about the detection of gold and drugs smuggling and human trafficking with BFIU.	LEAs		Ongoing	LEAs
7	Conduct parallel financial investigation in every (if necessary) smuggling, drug and human trafficking case and extend such investigations and confiscation of proceeds of crime beyond instruments of crime.	LEAs		Ongoing	LEAs

Strategy -8

Promoting FinTech and RegTech, financial inclusion and ensuring cyber security.

Technology based financial services, popularly known as FinTech is growing rapidly all over the world. Its basic definition is the provision of financial services, wholly or partly, in a new, innovative and technology driven way. On the other hand, RegTech entails the use of technology, particularly information technology, in the context of monitoring, reporting and compliance. RegTech is not a subset of FinTech, because it has a different focus, namely on regulation and compliance. In a word, these two combine uses of technology to improve activities in finance by reducing cycle time and costs of services with those improving the quality of services by ensuring regulatory compliance.

Even with rapid advancement of financial sector in Bangladesh, today, a huge number of rural people don't have a bank account and their economic activities are not part of the formal economy. FinTech, if adopted with the right regulatory framework and technological support, can change this scenario. The authorities in the country are taking right steps by making all the stakeholders, including regulators, technology friendly in order to increase overall efficiency and also to lower ever-increasing compliance costs. Though the benefits of FinTech and RegTech are enormous, innovation of these requires a large amount of investment. Moreover, it also increases security vulnerabilities.

In order to ensure a level playing field in the country for the growth of the industry, the authorities are easing the process of licensing, registration and/or regulatory approaches to the FinTech and RegTech community. The country is currently exploring the opportunities that new financial and regulatory technologies may present for improving the effective implementation of AML & CFT measures. At this time government, through its a2i project, and Bangladesh Bank as a central bank, are taking several initiatives and encouraging private sector innovation and use of new technology for financial inclusion.

Bangladesh is at an advantageous position and can benefit greatly from FinTech. The country has a large young population who can adopt technology faster and potentially become avid users of FinTech. The mobile subscription density of the country is at an all-time high, thereby reducing the last mile connectivity challenge. Macroeconomic growth factors are also favorable to catalyze the joining of more people into the formal financial services network. With encouragement from the authorities, the financial services institutions and regulators of the country should embrace and adopt FinTech and RegTech in their transformation journey.

Expected Outcome

Adoption of suitable regulatory framework that encourages financial innovation by ensuring both financial inclusion and cyber security.

Challenges

- Attitude toward domestic software/technology is not favorable;
- Absence of large scale investment in IT sector;
- National Identification Document is not available for all the citizens;
- Lack of high-speed internet and the high cost;
- Possibility of security threats;
- Implementation of regulatory requirements and inconsistency in regulatory requirements in global perspective.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Timeframe	Budget
1	Establish regulatory sandbox to encourage innovation of financial technology.	BB	MLPA, 2012; ATA, 2009	Dec 2019	BB
2	Conduct feasibility study of using blockchain technology or distributed ledger technology for cost effective payment mechanism.	BB		Oct 2020	BB
3	Regularly conduct AML/CFT risk assessment on FinTech companies.	BB, BFIU		Ongoing	BB, BFIU
4	Issue proper guidance to FinTech companies to ensure AML/CFT compliance.	BB, BFIU		Dec 2019	BB
5	Ensure ML & TF risk assessment before introducing new technology based product or services.	BFIU, ROs		Ongoing	BB
6	Encourage regulators to innovate technology based solution to ensure regulatory compliance.	BB, BSEC, IDRA, BFIU		Ongoing	BB, BSEC, IDRA, BFIU
7	Arrange regular Public-private dialogue and collaboration related to FinTech and RegTech to strengthen the AML/CFT regime.	MoF, BB, BSEC, IDRA, BFIU		Ongoing	MoF, BB, BSEC, IDRA, BFIU
8	Determine a single/unique ID card system for all the citizens.	PMO, MoF		June 2020	PMO, MoF
9	Implement the digital-KYC/e-KYC system for the reporting organizations.	BFIU		Dec 2020	BFIU
10	Ensure smooth information exchange among the FinTech/RegTech companies.	MoF, BB, BSEC, IDRA, BFIU		Ongoing	MoF, BB, BSEC, IDRA, BFIU
11	Ensure proper cyber security measures by the FinTech companies.	BFIU		Ongoing	BFIU

Strategy -9

Ensuring systematic freezing and confiscation of proceeds of crime and managing them effectively.

A robust system of provisional measures and confiscation is an important part of an effective anti-money laundering and counter-terrorist financing regime. Confiscation prevents criminal property from being laundered or reinvested either to facilitate other forms of crime or to conceal illicit proceeds. In itself, this can significantly stifle organised criminal operations, break them or frustrate the movement of proceeds derived from crime. Reducing the rewards of crime affects the balance of risk and reward, and the prospect of losing profits may deter some from committing crime. It may also allow the victim of the crime to be partially or fully compensated, even when the proceeds are moved around the world.

The legal framework of Bangladesh provides a clear basis for the authorities to restrain and confiscate property and instruments of crime. The MLPA and the ATA provide for conviction and non-conviction based (in certain circumstances) confiscation of assets and property related with ML and TF. The other relevant Acts (Customs Act, Narcotics Control Act, Criminal Procedure Code and the Income Tax Ordinance) also provide mechanisms for LEAs investigating predicates to confiscate property involved in criminal activity, including instruments of crime, in most cases without a conviction for ML. The authorities in the country are increasingly pursuing provisional measures and confiscation of ill-gotten assets.

To enhance the effectiveness of confiscation regimes, every country needs to implement a program for efficiently managing frozen, seized and confiscated property and, where necessary, disposing of such property. Depending on the nature of the property or the particular circumstances of the case, the best method of managing it might be different; i.e. the competent authorities; contractors; a court-appointed manager; or by the person who holds the property subject to appropriate restrictions on use and sale.

In Bangladesh, LEAs are responsible for managing restrained assets under conditions set by the Court. LEAs lack appropriate and comprehensive systems to manage seized or attached assets. There are no clear rules or procedures for managing these assets. LEAs rely on various laws and regulations, which do not provide sufficient guidance on managing the assets. Thus effectiveness sometimes is undermined by the lack of a centralised asset recovery and asset management capabilities.

Expected Outcome

Expand the power of provisional measures and confiscation by all the LEAs and manage the confiscated assets in an organized and centralized manner.

Challenges

- Inadequate knowledge of the LEAs regarding provisional measures and confiscation;
- No training on asset management is provided to officers of LEAs;
- No clear procedure is available to manage confiscated property.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Timeframe	Budget
1	Ensure all LEAs attach highest priority on tracing, freezing/seizing and confiscating proceeds of crime, including in cooperation with foreign counterparts.	LEAs	MLPA, 2012; ATA, 2009	Ongoing	LEAs
2	Establish standard operating procedures and act expeditiously to freeze assets at the enquiry stage to ensure that property which may become subject to confiscation is not dissipated before prosecution.	LEAs		Dec 2019	LEAs
3	Prioritise asset tracing investigations, including coordinating with and using BFIU's extensive powers and expertise.	LEAs		Ongoing	LEAs
4	Amend the ACC Act to provide full provisional measures at the enquiry stage.	ACC		Dec 2021	ACC
5	Encourage LEAs to consider making use of MLPA section-17(2) for non-conviction based confiscation powers.	LEAs		Ongoing	LEAs
6	Engage prosecutors to work closely with all the LEAs to guide their use of provisional measures early in the enquiry of profit driven crimes.	AGO, LEAs		Ongoing	AGO, LEAs
7	Focus on restraint and confiscation for high risk crime areas such as human trafficking and seizing and freezing the widest range of property and instruments, including through international cooperation requests for foreign jurisdictions to freeze assets.	LEAs, MoFA, MoHA		Ongoing	LEAs, MoFA, MoHA
8	Develop comprehensive asset management protocols to ensure that the value of confiscated goods is preserved and maintained.	LEAs, MoLJ&PA		Dec 2020	LEAs, MoLJ&PA
9	Ensure that all concerned have sufficient expertise to manage any type of property and capacity to provide immediate support and advice to law enforcement at all times in relation to freezing and seizure, including advising on and subsequently handling all practical issues in relation to freezing and seizure of property.	LEAs		Ongoing	LEAs
10	To ensure the transparency and assess the effectiveness of the asset management system, ensure mechanisms to track frozen/seized property, assess its value at the time of freezing/seizure, and thereafter as appropriate, keep records of its ultimate disposition; and, in the case of a sale, keep records of the value realised.	LEAs		Ongoing	LEAs

Strategy -10

Promoting transparency in the ownership of legal person and legal arrangement through strengthening legal and institutional arrangements.

Beneficial ownership remains an important issue high on the international agenda. Lack of access to accurate information on the ultimate owner of legal persons and arrangements on a timely basis is a significant vulnerability for ML and TF.

The lack of access to beneficial ownership information of companies by law enforcement and other competent authorities is a significant impediment, particularly when such information is not held by any party. The availability of beneficial ownership information assists competent authorities by identifying those natural persons who may be responsible for the underlying activity of concern or who might have information to further the investigation.

The authorities of Bangladesh have a reasonable understanding of the vulnerabilities and potential for misuse of legal persons. The NRA in 2015 assessed ML and TF risks related to the formation of legal persons to some degree and identified a number of limitations that may result in abuse of legal persons for ML and TF purposes. The NRA also assessed the vulnerabilities of legal persons to be misused and exploited by criminals to hide their identities as high. The LEAs in the country appear to focus on natural persons and do not regularly investigate behind the 'corporate veil'. Investigations in these matters appear to centre on employees of these groups.

The country has made efforts to implement measures to mitigate the risk of abuse of legal persons and arrangements for ML/TF purposes. The Registrar of Joint Stock Companies and Firms (RJSC) has recently established a system of online registration for companies to support timely and accurate registration. The RJSC has also instituted a system for banks, insurance agents and other FIs to obtain name clearance certificates from the respective regulatory authorities. The RJSC, as the registration authority, checks for compliance with required lodgment for an application to establish a legal person in the country.

Lack of manpower and human resources still remains a problem for the RJSC rendering it unable to devote the necessary resources to verify that its requirements are being met on a regular basis and ensure that risk is effectively mitigated. This impediment also means that monitoring and supervision of legal persons cannot occur regularly.

The Companies Act, 1994 does not provide the requisite powers to the RJSC to carry out its functions effectively. RJSC cannot take administrative action against non-compliant legal persons and is not empowered to appoint auditors to conduct audits on companies. Necessary steps have been taken following the findings of the NRA to fast track changes to the Companies Act to address these gaps.

Expected Outcome

LEAs will have timely access to the ownership information of legal persons and arrangements.

Challenges

- Existing legal structures and the authority of the agencies;
- Complex nature of the identification of people;
- Lack of required manpower and technical support;
- Investigation behind the 'corporate veil' is difficult and time consuming.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
1	Amendment of Company Act, 1994 and Trust Act, 1882.	MoC, MoLJ&PA, RJSC	Company Act, 1994; Trust Act, 1882; MLPA, 2012; ATA, 2009	Dec 2019	MoC, MoLJ&PA, RJSC
2	Ensure provisions so that access to tax payer information related to legal arrangements is facilitated during inquiry or investigation stage.	MoC, MoLJ&PA, RJSC		Dec 2019	MoC, MoLJ&PA, RJSC
3	Analyze transparency and beneficial ownership of legal persons and prepare a detailed assessment report of the current position of Bangladesh regarding beneficial ownership.	MoC, RJSC		March 2020	MoC, RJSC
4	Review the assessment prepared by RJSC and make recommendations regarding action that can be taken to address areas of non-compliance regarding beneficial ownership.	MoC, RJSC, FID, BFIU		June 2020	MoC, RJSC, FID, BFIU
5	Develop a system for receiving and responding to requests from other jurisdictions regarding beneficial ownership of legal persons.	MoC, RJSC, PSD (MoHA)		Dec 2019	MoC, RJSC, PSD (MoHA)
6	Implement a system to monitor the quality of information and the timeliness of responding to requests for/from foreign jurisdictions.	MoC, RJSC, PSD (MoHA)		Dec 2019	MoC, RJSC, PSD (MoHA)
7	Increase the capacity and enforcement powers of the RJSC and other competent authorities and ensure sufficient human and other resources to monitor and sanction legal persons and arrangements which do not adhere to legal requirements.	MoC, RJSC		Ongoing	MoC, RJSC
8	Ensure a mechanism so that RJSC and other competent authorities proactively check information against other sources to identify anomalies or inconsistencies.	MoC, RJSC		Ongoing	MoC, RJSC
9	Ensure that persons who breach the required measures are subject to effective, proportionate and dissuasive sanctions.	MoC, RJSC		Dec 2019	MoC, RJSC
10	Require trustees to disclose their status to all ROs when forming business relationships.	MoC, RJSC		Dec 2019	MoC, RJSC
11	Centralize the current system of registration of trust deed information to facilitate easy access to such information by competent authorities.	MoC, RJSC		Dec 2019	MoC, RJSC
12	Improve information sharing between RJSC, NBR, BFIU, LEAs and sub-registries.	FID of MoF, RJSC, NBR, BFIU, LEAs, MoLJ&PA,		Ongoing	RJSC, NBR, BFIU, LEAs, MoLJ&PA,
13	Raise LEAs' awareness of powers to lift the corporate veil in AML/CFT investigations.	LEAs		Ongoing	LEAs

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
14	Conduct specific risk assessment on religious trusts including Waqf sector.	Ministry of Religious affairs, BFIU, Office of the Administrator of Waqfs		June 2020	Ministry of Religious affairs, BFIU, Office of the Administrator of Waqfs
15	Ensure adequate steps to mitigate risks posed by share warrants including capturing the beneficial ownership of share warrants.	BSEC, RJSC		Ongoing	BSEC, RJSC
16	Ensure verification of information of the trust deeds by the Sub-registrar's office/ Registrar's office/RJSC or other competent authority.	Sub-registrar's office RJSC/ Other competent authority		Ongoing	Sub-registrar's office RJSC/Other competent authority
17	Ensure full implementation of the digital signature system by RJSC and utilise Election Commission and NSIA facilities for verification of provisions as granted in the MOU.	RJSC, EC, NSIA		Dec 2020	RJSC, EC, NSIA

Strategy -11

Ensuring sound corporate governance in the ROs and other corporate vehicles so that they may not be abused for generating proceeds of crime.

Corporate entities, including financial and non-financial institutions with limited liability characteristics, conduct a wide variety of commercial activities and are the basis for a broad range of entrepreneurial activities in market-based economies. However, despite the important and legitimate roles these entities play in the global economy, they may, under certain conditions, be abused for illicit purposes, including money laundering, bribery and corruption, improper insider dealings, wilful loan default, tax evasion, financing of terrorist activities and other forms of illegal activities. Criminals have responded to the money laundering defences put in place by banks and other financial institutions by misusing corporate vehicles, to disguise and convert their proceeds of crime before it enters the traditional financial system.

Organised crime groups or individual criminals tend to seek out the services of professionals to benefit from their expertise in setting up schemes that the criminals then use for illicit purposes. The particular concern for Bangladesh is the ease with which corporate vehicles can be created and dissolved, which allows these vehicles to be used not only for legitimate purposes (such as business finance, purchase of fixed assets) but also to be misused by those involved in financial crime to conceal the sources of funds and their ownership of the corporate vehicles.

Despite having controls in place to prevent criminals and their associates from entering the market, some gaps in relation to beneficial ownership of owners and directors/management and source of funds and risk from influential persons owning or controlling banks and securities intermediaries still exist. With some improvements, ensuring measures to deal with fit and proper risks with the board and management of state-owned commercial banks and securities intermediaries still require some more steps. With the involvement of domestic PEPs in the stock market sector there is also significant insider trading and market manipulation risk. Large scale loan frauds particularly in the state owned commercial banks also pose significant threat to establishing a sound corporate culture.

According to National Integrity Strategy of Bangladesh, the Government has initiated creating the integrity culture in both public and private sector. In line with this, the financial sector regulators in the country have also formulated appropriate rules and regulations to ensure corporate governance in the financial sector. Corporate Governance principles have been set out for the banks and other financial institutions to prevent misuse of them.

Expected Outcome

A sound corporate governance facilitating long term sustainability will be achieved.

Challenges

- Lack of sound corporate culture;
- Complex organizational structure;
- Lack of confidence between the owner and the management;
- Lack of accountability in all the sectors.

Actions Needed

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
1	Encourage ROs to ensure a sound corporate culture in the organization.	All ROs	MLPA, 2012; ATA, 2009; Bank Company Act, 1991, Financial Institutions Act, 1993	Ongoing	ROs
2	Encourage ROs to appoint strong, qualified member for the board of directors.	BB, BSEC, IDRA, MRA, DSS, NGOAB		Ongoing	BB, BSEC, IDRA, MRA, DSS, NGOAB
3	Ensure regular performance evaluation of the board by the regulators.	BB, BSEC, IDRA, MRA, DSS, NGOAB		Ongoing	BB, BSEC, IDRA, MRA, DSS, NGOAB
4	Increase the number of independent directors for the board of directors of the banks.	BB, Commercial Banks		Dec 2019	BB
5	Establish clear lines of accountability among the Board, CEO and management.	BB, BSEC, IDRA, MRA, DSS, NGOAB, All ROs		Dec 2019	BB, BSEC, IDRA, MRA, DSS, NGOAB, All ROs
6	Adopt a conflict of interest policy for the board of directors, and a whistle-blower policy.	Commercial banks		Dec 2019	Commercial banks
7	Encourage whistle-blowing if any insider lending or insider trading happens.	BFIU ROs		Ongoing	BFIU, ROs
8	Establish measurable performance targets for CEO and senior officials, regularly assess and evaluate their performance against those targets and tie compensation to performance.	Commercial banks, NBFi		Dec 2019	Commercial banks, NBFi
9	Establish a Compensation Committee comprised of independent directors to develop and oversee compensation plans for the officials.	Commercial banks, NBFi		Dec 2019	Commercial banks, NBFi
10	Ensure adequate steps to deal with fit and proper risks (with more focus on managing risks from IPs) in the board and management of state owned commercial banks.	MoF, BB, BFIU		Dec 2020	MoF, BB, BFIU
11	Enforce proper measures to deal with fit and proper risks (with more focus on managing risks from IPs) in the board and management of securities intermediaries.	MoF, BSEC		Dec 2020	MoF, BSEC
12	Take proper steps to tackle insider trading and market manipulation risks.	MoF, BSEC, BB		Ongoing	MoF, BSEC, BB
13	Take adequate steps to prevent insider lending and loan fraud by owners, directors and senior management of the ROs and thereby ensure sound corporate governance.	MoF, BB, IDRA		Ongoing	MoF, BB, IDRA

Sl.	Action Items	Responsible Agencies	Supporting Law	Time frame	Budget
14	Establish adequate mechanism so that Bank management does not interfere in the day to day activities of the bank for unlawful purpose.	MoF, BB		Ongoing	MoF, BB
15	Conduct strategic analysis on loan scam, quick write-off etc.	BFIU, BB		Ongoing	BFIU, BB
16	Ensure proper implementation of the guidelines issued by BB for Off-shore Banking Units.	BB, Commercial banks and their OBU's		Ongoing	BB, Commercial banks and their OBU's
17	Conduct an assessment on how corporate vehicles can be misused for illicit purpose and identify the factors limiting capacity of the authorities to obtain timely information on control of corporate vehicles.	BFIU, BB, Commercial banks		June 2020	BFIU, BB, Commercial banks

Annex-1

Ministry or agency wise responsibilities

Anti Corruption Commission

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Conduct a study to find out the amount of IFF from Bangladesh, how and where they are siphoned to.	1	December 2020	Co-Lead
2	Conduct a study to identify number of Bangladeshis getting 'investment visa', 'second home', long term stay visa, dual citizenship and the amount of funds (if any) transferred to get visa.	1	December 2019	Co-Lead
3	Issue guidelines for joint investigation of ML cases.	2	December 2019	Co-Lead
4	Form dedicated ML Investigation Units and depute committed human resources.	3	December 2019	Lead
5	Make parallel and joint investigation fully functional.	3	June 2021	Lead
6	Arrange proper training programs for all the LEAs' officials at home and abroad.	3	Ongoing	Lead
7	Prioritize the installation of proper IT system and software in the LEAs to develop real time communication with BFIU.	3	December 2020	Lead
8	Develop a central repository for all statistics collected by national agencies and conduct periodic analyses of the statistics to assist in measuring the effectiveness and efficiency of the AML & CFT system in Bangladesh.	3	December 2019	Co-Lead
9	Conduct a review related to use of special investigative techniques for financial investigations, including: interception of communications, accessing computer systems, controlled delivery and undercover operations.	3	June 2021	Lead
10	Arrange periodic dialogue among Investigators, Prosecutors and Judges to discuss the difficulties in successful prosecution.	4	Ongoing	Lead
11	Ensure consultation of investigators and prosecutors in every ML case.	4	Ongoing	Lead
12	Conduct in-depth corruption risk assessment especially on public procurement, service sector of Bangladesh, state owned banks and control of FIs by influential persons.	5	December 2021	Lead
13	Ensure accountability and transparency in government procurement and service rendered.	5	Ongoing	Lead
14	Implement provisions of United Nations Convention Against Corruption (UNCAC).	5	Ongoing	Lead
15	Streamlining the investigation and prosecution of private sector corruption with proper legal instruments.	5	December 2019	Lead
16	Continuation of asset declaration of all influential persons to competent authorities.	5	Ongoing	Co-Lead
17	Examine at least 10% of asset declaration statement of MP candidates randomly.	5	Ongoing	Lead
18	Enhance the capacity of ACC in detection, investigation and prosecution of corruption-related money laundering including financial, parallel-investigation and forensic accounting.	5	Ongoing	Lead
19	Arrange regular training program at home and abroad for the investigators, prosecutors and Judges engaged in corruption and ML cases.	5	Ongoing	Lead

Sl.	Action Items	Strategy Number	Timeframe	Role
20	Create public awareness against corruption and ML by observing day, week or other kinds of mass campaign.	5	Ongoing	Lead
21	Enhance cooperation among BFIU, ACC, Police and NBR.	5	Ongoing	Lead
22	Ensure all LEAs attach highest priority on tracing, freezing/seizing and confiscating proceeds of crime, including in cooperation with foreign counterparts.	9	Ongoing	Lead
23	Establish standard operating procedures and act expeditiously to freeze assets at the enquiry stage to ensure that property which may become subject to confiscation is not dissipated before prosecution.	9	December 2019	Lead
24	Prioritise asset tracing investigations, including coordinating with and using BFIU's extensive powers and expertise.	9	Ongoing	Lead
25	Amend the ACC Act to provide full provisional measures at the enquiry stage.	9	December 2021	Lead
26	Encourage LEAs to consider making use of MLPA section-17(2) for non-conviction based confiscation powers.	9	Ongoing	Lead
27	Engage prosecutors to work closely with all the LEAs to guide their use of provisional measures early in the enquiry of profit driven crimes.	9	Ongoing	Lead
28	Develop comprehensive asset management protocols to ensure that the value of confiscated goods is preserved and maintained.	9	December 2020	Co-Lead
29	Ensure that all concerned have sufficient expertise to manage any type of property and capacity to provide immediate support and advice to law enforcement at all times in relation to freezing and seizure, including advising on and subsequently handling all practical issues in relation to freezing and seizure of property.	9	Ongoing	Lead
30	To ensure the transparency and assess the effectiveness of the asset management system, ensure mechanisms to track frozen/seized property, assess its value at the time of freezing/seizure, and thereafter as appropriate, keep records of its ultimate disposition; and, in the case of a sale, keep records of the value realised.	9	Ongoing	Lead
31	Raise LEAs' awareness of powers to lift the corporate veil in AML/CFT investigations.	10	Ongoing	Lead

Attorney General Office

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Establish a legal and institutional basis for an independent prosecution service or attorney service, at least for trial of ML and TF cases.	4	December 2020	Co-Lead
2	Provide required resources/funds to the independent prosecution service and AGO.	4	December 2020	Lead
3	Take proper steps to improve court and prosecutorial procedures to streamline the conduct of ML & TF trials.	4	December 2020	Co-Lead
4	Arrange periodic dialogue among Investigators, Prosecutors and Judges to discuss the difficulties of successful prosecution.	4	Ongoing	Lead
5	Provide training to Judges and Prosecutors on AML/CFT issues.	4	Ongoing	Co-Lead
6	Establish a database of ML and TF cases and maintain the case information in digital form.	4	December 2020	Co-Lead
7	Engage prosecutors to work closely with all the LEAs to guide their use of provisional measures early in the enquiry of profit driven crimes.	9	Ongoing	Co-Lead

Bangladesh Bank

Sl.	Action Items	Strategy Number	Time frame	Role
1	Conduct a strategic analysis to find out how the advertisement costs in foreign media are being paid and payment of e-commerce site are being made.	1	June 2020	Lead
2	Undertake reform initiatives on exchange control policy focusing IFF.	1	June 2020	Lead
3	Encourage banks to establish more drawing arrangement abroad to facilitate inward remittance through formal channel.	1	Ongoing	Lead
4	Encourage banks and other legitimate payment service providers to widen the network of collection and disbursement of remittance at a minimum cost.	1	Ongoing	Lead
5	Identify any use of unregulated informal remittance services and investigate in cooperation with BFIU.	1	Ongoing	Lead
6	Ensure price verification while issuing or advising LC by any commercial bank.	2	December 2019	Lead
7	Establish own database in every commercial bank to confirm about the competitive price of imported items and fair price of exportable items.	2	December 2019	Lead
8	Engage all regulatory authorities, SRBs and associations to create a compliance culture among the reporting organizations.	6	Ongoing	Co-Lead
9	Provide enough resources to the AML/CFT units of the regulators.	6	Ongoing	Lead
10	Focus on internal controls of ROs and on verification of CDD, identification of beneficial ownership and PEPs, ongoing CDD, and measures to improve the quality and quantity of STRs while inspecting ROs.	6	Ongoing	Lead
11	Establish regulatory sandbox to encourage innovation of financial technology.	8	December 2019	Lead
12	Conduct feasibility study of using blockchain technology or distributed ledger technology for cost effective payment mechanism.	8	October 2020	Lead
13	Regularly conduct AML/CFT risk assessment on FinTech companies.	8	Ongoing	Lead
14	Issue proper guidance to FinTech companies to ensure AML/CFT compliance.	8	December 2019	Co-Lead
15	Encourage regulators to innovate technology based solution to ensure regulatory compliance.	8	Ongoing	Co-Lead
16	Arrange regular public-private dialogue and collaboration related to FinTech and RegTech to strengthen the AML/CFT regime.	8	Ongoing	Lead
17	Ensure smooth information exchange among the FinTech/RegTech companies.	8	Ongoing	Lead

Sl.	Action Items	Strategy Number	Time frame	Role
18	Encourage ROs to appoint strong, qualified member for the board of directors.	11	Ongoing	Lead
19	Ensure regular performance evaluation of the board by the regulators.	11	Ongoing	Lead
20	Increase the number of independent directors for the board of directors of the banks.	11	December 2019	Lead
21	Establish clear lines of accountability among the Board, CEO and management.	11	December 2019	Lead
22	Ensure adequate steps to deal with fit and proper risks (with more focus on managing risks from IPs) in the board and management of state owned commercial banks.	11	December 2020	Lead
23	Take proper steps to tackle insider trading and market manipulation risks.	11	Ongoing	Co-Lead
24	Take adequate steps to prevent insider lending and loan fraud by owners, directors and senior management of the ROs and thereby ensure sound corporate governance.	11	Ongoing	Lead
25	Establish adequate mechanism so that Bank management does not interfere in the day to day activities of the bank for unlawful purpose.	11	Ongoing	Lead
26	Conduct strategic analysis on loan scams, quick write-off etc.	11	Ongoing	Co-Lead
27	Ensure proper implementation of the guidelines issued by BB for Off-shore Banking Units.	11	Ongoing	Lead
28	Conduct an assessment on how corporate vehicles can be misused for illicit purpose and identify the factors limiting capacity of the authorities to obtain timely information on control of corporate vehicles.	11	June 2020	Co-Lead

Bangladesh Financial Intelligence Unit

Sl.	Action Items	Strategy Number	Time frame	Role
1	Conduct a study to find out the amount of IFF from Bangladesh, how and where they are siphoned to.	1	December 2020	Lead
2	Conduct a study to identify number of Bangladeshis getting 'investment visa', 'second home', long term stay visa, dual citizenship and the amount of funds (if any) transferred to get visa.	1	December 2019	Co-Lead
3	Conduct a strategic analysis to find out the siphoned money from loan scam, off balance sheet funding to balance sheet funding and quick write off.	1	December 2019	Lead
4	Design and develop a system for effective declaration /disclosure of currency entering into or departing from Bangladesh and for currency or BNLs mailed or shipped into or out of Bangladesh.	1	December 2019	Co-Lead
5	Continue sharing information relating to cross border declaration between Customs and BFIU.	1	Ongoing	Co-Lead
6	Develop procedures for effective inter-agency cooperation and coordination on matters related to cross-border transportation of currency, including for exchange of information and investigation of breaches of declaration/disclosure system.	1	Ongoing	Co-Lead
7	Encourage banks to establish more drawing arrangement abroad to facilitate inward remittance through formal channel.	1	Ongoing	Co-Lead
8	Encourage banks and other legitimate payment service providers to widen the network of collection and disbursement of remittance at a minimum cost.	1	Ongoing	Co-Lead
9	Identify any use of unregulated informal remittance services and investigate in cooperation with BFIU.	1	Ongoing	Co-Lead
10	Issue guidelines for banks to prevent TBML.	2	October 2019	Lead
11	Conduct study on TBML to find out vulnerable channels, products, payment methods and magnitude.	2	December 2020	Lead
12	Ensure price verification while issuing or advising LC by any commercial bank.	2	December 2019	Co-Lead
13	Establish own database in every commercial bank to confirm about the competitive price of imported items and fair price of exportable items.	2	December 2019	Co-Lead
14	Establish connectivity of BFIU with ASYCUDA World of NBR.	2	March 2020	Lead
15	Conduct regular meeting on TBML cases between BFIU and CIID.	2	Ongoing	Co-Lead
16	Provide red flags or indicators on TBML to the banks time to time.	2	Ongoing	Lead

Sl.	Action Items	Strategy Number	Time frame	Role
17	Train customs officials and employees of banks on cross border transactions especially transaction related to international trade.	2	Ongoing	Lead
18	Issue guidelines for joint investigation of ML cases.	2	December 2019	Co-Lead
19	Engage trade bodies like ICC-Bangladesh, FBCCI, BGMEA, DCCI in the fight against TBML.	2	Ongoing	Lead
20	Arrange proper training programs for all the LEAs' officials at home and abroad.	3	Ongoing	Lead
21	Prioritize the installation of proper IT system and software in the LEAs to develop real time communication with BFIU.	3	December 2020	Co-Lead
22	Give emphasis on development of meaningful financial intelligence, investigation and prosecution of cases and confiscation of criminally derived assets.	3	Ongoing	Co-Lead
23	Arrange training for analysts on analytical processes and developing financial intelligence from STRs and CTRs.	3	Ongoing	Lead
24	Develop a central repository for all statistics collected by national agencies and conduct periodic analyses of the statistics to assist in measuring the effectiveness and efficiency of the AML & CFT system in Bangladesh.	3	December 2019	Lead
25	Conduct in-depth corruption risk assessment especially on public procurement, service sector of Bangladesh, state owned banks and control of FIs by influential persons.	5	December 2021	Co-Lead
26	Detect proceeds of corruption through sharing red flag and case studies with ROs.	5	Ongoing	Lead
27	Conduct strategic analysis to detect corruption induced ML cases.	5	Ongoing	Lead
28	Create public awareness against corruption and ML by observing day, week or other kinds of mass campaign.	5	Ongoing	Co-Lead
29	Enhance cooperation among BFIU, ACC, Police and NBR.	5	Ongoing	Lead
30	Engage all regulatory authorities, SRBs and associations to create a compliance culture among the reporting organizations.	6	Ongoing	Lead
31	Develop effective and integrated system of monitoring and regulating NGOs engaging MRA, NGOAB, DSS and other concerned agencies.	6	December 2019	Lead
32	Prioritise outreach and regulation of the securities sector.	6	Ongoing	Co-Lead
33	Continue BFIU's effort to achieve a sustainable level of compliance of all reporting organizations.	6	Ongoing	Lead
34	Develop a comprehensive database on NGOs' activities.	6	December 2019	Co-Lead
35	Issue instructions to Banks and financial institutions regarding dealing with NGO accounts.	6	December 2019	Lead
36	Arrange frequent workshop, seminars to create awareness among NGOs and DNFBPs.	6	Ongoing	Lead

Sl.	Action Items	Strategy Number	Time frame	Role
37	Regularly conduct AML/CFT risk assessment on FinTech companies.	8	Ongoing	Lead
38	Issue proper guidance to FinTech companies to ensure AML/CFT compliance.	8	December 2019	Lead
39	Ensure ML & TF risk assessment before introducing new technology based product or services.	8	Ongoing	Lead
40	Encourage regulators to innovate technology based solution to ensure regulatory compliance.	8	Ongoing	Co-Lead
41	Arrange regular public-private dialogue and collaboration related to FinTech and RegTech to strengthen the AML/CFT regime.	8	Ongoing	Lead
42	Implement the digital-KYC/e-KYC system for the reporting organizations.	8	December 2020	Lead
43	Ensure smooth information exchange among the FinTech/RegTech companies.	8	Ongoing	Co-Lead
44	Ensure proper cyber security measures by the FinTech companies.	8	Ongoing	Lead
45	Review the assessment prepared by RJSC and make recommendations regarding action that can be taken to address areas of non-compliance regarding beneficial ownership.	10	December 2019	Co-Lead
46	Improve information sharing between RJSC, NBR, BFIU, LEAs and sub-registries.	10	Ongoing	Co-Lead
47	Conduct specific risk assessment on religious trusts including Waqf sector.	10	June 2020	Lead
48	Encourage whistle-blowing if any insider lending or insider trading happens.	11	Ongoing	Lead
49	Ensure adequate steps to deal with fit and proper check (with more focus on managing risks from IPs) in the board and management of state owned commercial banks.	11	December 2020	Co-Lead
50	Conduct strategic analysis on loan scams, quick write-offs etc.	11	Ongoing	Lead
51	Conduct an assessment on how corporate vehicles can be misused for illicit purpose and identify the factors limiting capacity of the authorities to obtain timely information on control of corporate vehicles.	11	June 2020	Lead

Border Guard of Bangladesh

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Identify risk areas for narcotics, gold and trade based smuggling and human trafficking & people smuggling.	7	December 2019	Lead
2	Develop an Operational Manual or Standard Operating Procedure for customs officers and other border control officers to deal with ML & TF cases.	7	December 2019	Lead
3	Enhance capacity of Bangladesh Police, Border Guard Bangladesh, Bangladesh Coast Guard and Department of Narcotics Control (DNC).	7	Ongoing	Lead
4	Ensure required human and technological resources to Bangladesh Police and other investigating agencies.	7	Ongoing	Lead
5	Share all information about the detection of gold and drugs smuggling and human trafficking with BFIU.	7	Ongoing	Lead
6	Focus on restraint and confiscation for high risk crime areas such as human trafficking and seizing and freezing the widest range of property and instruments, including through international cooperation requests for foreign jurisdictions to freeze assets.	9	Ongoing	Lead
7	Develop comprehensive asset management protocols to ensure that the value of confiscated goods is preserved and maintained.	9	December 2020	Lead
8	Ensure that those who are responsible for managing (or overseeing the management of) property have sufficient expertise to manage any type of property and capacity to provide immediate support and advice to law enforcement at all times in relation to freezing and seizure, including advising on and subsequently handling all practical issues in relation to freezing and seizure of property.	9	Ongoing	Lead
9	To ensure the transparency and assess the effectiveness of the asset management system, ensure mechanisms to track frozen/seized property, assess its value at the time of freezing/seizure, and thereafter as appropriate, keep records of its ultimate disposition; and, in the case of a sale, keep records of the value realised.	9	Ongoing	Lead

Bangladesh Police

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Conduct a study to identify number of Bangladeshis getting 'investment visa', 'second home', long term stay visa, dual citizenship and the amount of funds (if any) transferred to get visa.	1	December 2019	Lead
2	Conduct a study to find out how many foreign employees are working in Bangladesh and how they are remitting funds to their home country.	1	December 2019	Lead
3	Identify any use of unregulated informal remittance services and investigate in cooperation with BFIU.	1	Ongoing	Co-Lead
4	Form dedicated ML and TF Investigation Units and depute committed human resources.	3	December 2019	Lead
5	Make parallel and joint investigation fully functional.	3	June 2021	Lead
6	Arrange proper training programs for all the LEAs' officials at home and abroad.	3	Ongoing	Lead
7	Conduct a review related to use of special investigative techniques for financial investigations, including: interception of communications, accessing computer system, controlled delivery and undercover operations.	3	June 2021	Lead
8	Prioritize the installation of proper IT system and software in the LEAs to develop real time communication with BFIU.	3	December 2020	Lead
9	Develop a central repository for all statistics collected by national agencies and conduct periodic analyses of the statistics to assist to measure the effectiveness and efficiency of the AML & CFT system in Bangladesh.	3	December 2019	Lead
10	Arrange periodic dialogue among Investigators, Prosecutors and Judges to discuss the difficulties of successful prosecution.	4	Ongoing	Lead
11	Ensure accountability in every level of government procurement.	5	Ongoing	Co-Lead
12	Enhance capacity of Bangladesh Police, Border Guard Bangladesh, Bangladesh Coast Guard and Department of Narcotics Control (DNC).	7	Ongoing	Lead
13	Ensure required human and technological resources to Bangladesh Police and other investigating agencies.	7	Ongoing	Lead
14	Share all information about the detection of gold and drugs smuggling and human trafficking with BFIU.	7	Ongoing	Lead
15	Conduct parallel financial investigation in every (if necessary) smuggling, drug and human trafficking case and extend such investigations and confiscation of proceeds of crime beyond instruments of crime.	7	Ongoing	Lead

Sl.	Action Items	Strategy Number	Timeframe	Role
16	Ensure all LEAs attach highest priority on tracing, freezing/seizing and confiscating proceeds of crime, including in cooperation with foreign counterparts.	9	Ongoing	Lead
17	Establish standard operating procedures and act expeditiously to freeze assets at the enquiry stage to ensure that property which may become subject to confiscation is not dissipated before prosecution.	9	December 2019	Lead
18	Prioritise asset tracing investigations, including coordinating with and using BFIU's extensive powers and expertise.	9	Ongoing	Lead
19	Encourage LEAs to consider making use of MLPA section-17(2) for non-conviction based confiscation powers.	9	Ongoing	Lead
20	Engage prosecutors to work closely with all the LEAs to guide their use of provisional measures early in the enquiry of profit driven crimes.	9	Ongoing	Lead
21	Focus on restraint and confiscation for high risk crime areas such as human trafficking and seizing and freezing the widest range of property and instruments, including through international cooperation requests for foreign jurisdictions to freeze assets.	9	Ongoing	Lead
22	Develop comprehensive asset management protocols to ensure the value of confiscated goods is preserved and maintained.	9	Ongoing	Lead
23	Ensure that those who are responsible for managing (or overseeing the management of) property have sufficient expertise to manage any type of property and capacity to provide immediate support and advice to law enforcement at all times in relation to freezing and seizure, including advising on and subsequently handling all practical issues in relation to freezing and seizure of property.	9	Ongoing	Lead
24	To ensure the transparency and assess the effectiveness of the asset management system, ensure mechanisms to track frozen/seized property, assess its value at the time of freezing/seizure, and thereafter as appropriate, keep records of its ultimate disposition; and, in the case of a sale, keep records of the value realised.	9	Ongoing	Lead
25	Improve information sharing between RJSC, NBR, BFIU, LEAs and sub-registries.	10	Ongoing	Lead
26	Raise LEAs' awareness of powers to lift the corporate veil in AML/CFT investigations.	10	Ongoing	Lead

Bangladesh Securities and Exchange Commission

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Form dedicated ML Investigation Units and depute committed human resources.	3	December 2019	Lead
2	Make parallel and joint investigation fully functional.	3	June 2021	Lead
3	Conduct a comprehensive legal review to find out the strengths and weaknesses of BSEC in ML investigation.	3	December 2020	Lead
4	Prioritize the installation of proper IT system and software in the LEAs to develop real time communication with BFIU.	3	December 2020	Lead
5	Develop a central repository for all statistics collected by national agencies and conduct periodic analyses of the statistics to assist in measuring the effectiveness and efficiency of the AML & CFT system in Bangladesh.	3	December 2019	Lead
6	Arrange periodic dialogue among Investigators, Prosecutors and Judges to discuss the difficulties in successful prosecution.	4	Ongoing	Lead
7	Ensure consultation of investigators and prosecutors in every ML case.	4	Ongoing	Lead
8	Engage all regulatory authorities, SRBs and associations to create a compliance culture among the reporting organizations.	6	Ongoing	Lead
9	Provide enough resources to the AML/CFT units of the regulators.	6	Ongoing	Lead
10	Focus on internal controls of ROs and on verification of CDD, identification of beneficial ownership and PEPs, ongoing CDD, and measures to improve the quality and quantity of STRs while inspecting ROs.	6	Ongoing	Lead
11	Prioritise outreach and regulation of the securities sector.	6	Ongoing	Lead
12	Encourage regulators to innovate technology based solution to ensure regulatory compliance.	8	Ongoing	Lead
13	Arrange regular public-private dialogue and collaboration related to FinTech and RegTech to strengthen the AML/CFT regime.	8	Ongoing	Co-Lead
14	Ensure smooth information exchange among the FinTech/RegTech companies.	8	Ongoing	Co-Lead
15	Ensure all LEAs attach highest priority on tracing, freezing/seizing and confiscating proceeds of crime, including in cooperation with foreign counterparts.	9	Ongoing	Lead
16	Establish standard operating procedures and act expeditiously to freeze assets at the enquiry stage to ensure that property which may become subject to confiscation is not dissipated before prosecution.	9	December 2019	Lead
17	Prioritise asset tracing investigations, including coordinating with and using BFIU's extensive powers and expertise.	9	Ongoing	Lead

Sl.	Action Items	Strategy Number	Timeframe	Role
18	Encourage LEAs to consider making use of MLPA section-17(2) for non-conviction based confiscation powers.	9	Ongoing	Lead
19	Engage prosecutors to work closely with all the LEAs to guide their use of provisional measures early in the enquiry of profit driven crimes.	9	Ongoing	Lead
20	Ensure adequate steps to mitigate risks posed by share warrants including capturing the beneficial ownership of share warrants.	10	Ongoing	Lead
21	Raise LEAs' awareness of powers to lift the corporate veil in AML/CFT investigations.	10	Ongoing	Lead
22	Encourage ROs to appoint strong, qualified member for the board of directors.	11	Ongoing	Lead
23	Ensure the regular performance evaluation of the board by the regulators.	11	Ongoing	Lead
24	Establish clear lines of accountability among the Board, CEO and management.	11	December 2019	Lead
25	Enforce proper measures to deal with fit and proper risks (with more focus on managing risks from IPs) in the board and management of securities intermediaries.	11	December 2020	Lead
26	Take proper steps to tackle insider trading and market manipulation risks.	11	Ongoing	Lead

CID, Bangladesh Police

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Conduct a study to find out how many foreign employees are working in Bangladesh and how they are remitting funds to their home country.	1	December 2019	Co-Lead
2	Conduct a strategic analysis to find out how the advertisement cost in foreign media are being paid and payment of e-commerce site are being made.	1	June 2020	Co-Lead
3	Issue guidelines for joint investigation of ML cases.	2	December 2019	Co-Lead
4	Form dedicated ML and TF Investigation Units and depute committed human resources.	3	December 2019	Lead
5	Make parallel and joint investigation fully functional.	3	June 2021	Lead
6	Arrange proper training programs for all the LEAs' officials at home and abroad.	3	Ongoing	Lead
7	Conduct a review related to use of special investigative techniques for financial investigations, including: interception of communications, accessing computer system, controlled delivery and undercover operations.	3	June 2021	Lead
8	Prioritize the installation of proper IT system and software in the LEAs to develop real time communication with BFIU.	3	December 2019	Lead
9	Develop a central repository for all statistics collected by national agencies and conduct periodic analyses of the statistics to assist to measure the effectiveness and efficiency of the AML & CFT system in Bangladesh.	3	December 2019	Lead
10	Arrange periodic dialogue among Investigators, Prosecutors and Judges to discuss the difficulties of successful prosecution.	4	Ongoing	Lead
11	Ensure consultation of investigator and prosecutors in every ML case.	4	Ongoing	Lead
12	Enhance cooperation among BFIU, ACC, Police and NBR.	5	Ongoing	Lead
13	Arrange regular training program at home and abroad for the investigators, prosecutors and Judges engaged in corruption and ML cases.	5	Ongoing	Lead
14	Share all information about the detection of gold and drugs smuggling and human trafficking with BFIU.	7	Ongoing	Lead
15	Conduct parallel financial investigation in every (if necessary) smuggling, drug and human trafficking case and extend such investigations and confiscation of proceeds of crime beyond instruments of crime.	7	Ongoing	Lead
16	Ensure all LEAs attach highest priority on tracing, freezing/seizing and confiscating proceeds of crime, including in cooperation with foreign counterparts.	9	Ongoing	Lead

Sl.	Action Items	Strategy Number	Timeframe	Role
17	Establish standard operating procedures and act expeditiously to freeze assets at the enquiry stage to ensure that property which may become subject to confiscation is not dissipated before prosecution.	9	December 2019	Lead
18	Prioritise asset tracing investigations, including coordinating with and using BFIU's extensive powers and expertise.	9	Ongoing	Lead
19	Encourage LEAs to consider making use of MLPA section-17(2) for non-conviction based confiscation powers.	9	Ongoing	Lead
20	Engage prosecutors to work closely with all the LEAs to guide their use of provisional measures early in the enquiry of profit driven crimes.	9	Ongoing	Lead
21	Focus on restraint and confiscation for high risk crime areas such as human trafficking and seizing and freezing the widest range of property and instruments, including through international cooperation requests for foreign jurisdictions to freeze assets.	9	Ongoing	Lead
22	Develop comprehensive asset management protocols to ensure the value of confiscated goods is preserved and maintained.	9	Ongoing	Lead
23	Ensure that all concerned have sufficient expertise to manage any type of property and capacity to provide immediate support and advice to law enforcement at all times in relation to freezing and seizure, including advising on and subsequently handling all practical issues in relation to freezing and seizure of property.	9	Ongoing	Lead
24	Ensure the transparency and assess the effectiveness of the asset management system, ensure mechanisms to track frozen/seized property, assess its value at the time of freezing/seizure, and thereafter as appropriate, keep records of its ultimate disposition; and, in the case of a sale, keep records of the value realised.	9	Ongoing	Lead
25	Improve information sharing between RJSC, NBR, BFIU, LEAs and sub-registries.	10	Ongoing	Co-Lead
26	Raise LEAs' awareness of powers to lift the corporate veil in AML/CFT investigations.	10	Ongoing	Lead

Department of Narcotics Control

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Form dedicated ML and TF Investigation Units and depute committed human resources.	3	December 2019	Lead
2	Conduct a comprehensive legal review to find out the strengths and weaknesses in conducting ML cases.	3	December 2019	Lead
3	Make parallel and joint investigation fully functional.	3	June 2021	Lead
4	Arrange proper training programs for all the LEAs' officials at home and abroad.	3	Ongoing	Lead
5	Prioritize the installation of proper IT system and software in the LEAs to develop real time communication with BFIU.	3	December 2020	Lead
6	Develop a central repository for all statistics collected by national agencies and conduct periodic analyses of the statistics to assist in measuring the effectiveness and efficiency of the AML & CFT system in Bangladesh.	3	December 2019	Lead
7	Arrange periodic dialogue among Investigators, Prosecutors and Judges to discuss the difficulties in successful prosecution.	4	Ongoing	Lead
8	Ensure consultation of investigators and prosecutors in every ML case.	4	Ongoing	Lead
9	Enhance capacity of Bangladesh Police, Border Guard Bangladesh, Bangladesh Coast Guard and Department of Narcotics Control (DNC).	7	Ongoing	Lead
10	Ensure required human and technological resources to Bangladesh Police and other investigating agencies.	7	Ongoing	Lead
11	Conduct parallel financial investigation in every (if necessary) smuggling, drug and human trafficking case and extend such investigations and confiscation of proceeds of crime beyond instruments of crime.	7	Ongoing	Lead
12	Ensure all LEAs attach highest priority to tracing, freezing/seizing and confiscating proceeds of crime, including in cooperation with foreign counterparts.	9	Ongoing	Lead
13	Establish standard operating procedures and act expeditiously to freeze assets at the enquiry stage to ensure that property which may become subject to confiscation is not dissipated before prosecution.	9	December 2019	Lead
14	Prioritise asset tracing investigations, including coordinating with and using BFIU's extensive powers and expertise.	9	Ongoing	Lead
15	Encourage LEAs to consider making use of MLPA section-17(2) for non-conviction based confiscation powers.	9	Ongoing	Lead
16	Engage prosecutors to work closely with all the LEAs to guide their use of provisional measures early in the enquiry of profit driven crimes.	9	Ongoing	Lead

Sl.	Action Items	Strategy Number	Timeframe	Role
17	Focus on restraint and confiscation for high risk crime areas such as human trafficking and seizing and freezing the widest range of property and instruments, including through international cooperation requests for foreign jurisdictions to freeze assets.	9	Ongoing	Lead
18	Develop comprehensive asset management protocols to ensure that the value of confiscated goods is preserved and maintained.	9	December 2020	Lead
19	Ensure that those who are responsible for managing (or overseeing the management of) property have sufficient expertise to manage any type of property and capacity to provide immediate support and advice to law enforcement at all times in relation to freezing and seizure, including advising on and subsequently handling all practical issues in relation to freezing and seizure of property.	9	Ongoing	Lead
20	To ensure the transparency and assess the effectiveness of the asset management system, ensure mechanisms to track frozen/seized property, assess its value at the time of freezing/seizure, and thereafter as appropriate, keep records of its ultimate disposition; and, in the case of a sale, keep records of the value realised.	9	Ongoing	Lead

Department of Social Services

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Engage all regulatory authorities, SRBs and associations to create a compliance culture among the reporting organizations.	6	Ongoing	Lead
2	Provide enough resources to the AML/CFT units of the regulators.	6	Ongoing	Lead
3	Focus on internal controls of ROs and on verification of CDD, identification of beneficial ownership and PEPs, ongoing CDD, and measures to improve the quality and quantity of STRs while inspecting ROs.	6	Ongoing	Lead
4	Develop effective and integrated system of monitoring and regulating NGOs with MRA, NGOAB, DSS and other concerned agencies.	6	December 2019	Lead
5	Enhance vigilance on the NGOs working in the border, coastal or hilly areas.	6	Ongoing	Lead
6	Encourage ROs to appoint strong, qualified members for the board of directors.	11	Ongoing	Lead
7	Ensure the regular performance evaluation of the board by the regulators.	11	Ongoing	Lead
8	Establish clear lines of accountability among the Board, CEO and management.	11	December 2019	Lead

Election Commission

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Continue asset declaration of all influential persons to competent authorities.	5	Ongoing	Lead
2	Examine at least 10% of asset declaration statement of MP candidates randomly.	5	Ongoing	Co-Lead
3	Ensure full implementation of the digital signature system by RJSC and utilise Election Commission and NSIA facilities for verification of provisions as granted in the MOU.	10	Ongoing	Co-Lead

Insurance Development and Regulatory Authority

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Engage all regulatory authorities, SRBs and associations to create a compliance culture among the reporting organizations.	6	Ongoing	Lead
2	Provide enough resources to the AML/CFT unit of IDRA.	6	Ongoing	Lead
3	Focus on internal controls of ROs and on verification of CDD, identification of beneficial ownership and PEPs, ongoing CDD, and measures to improve the quality and quantity of STRs while inspecting ROs.	6	Ongoing	Lead
4	Encourage regulators to innovate technology based solution to ensure regulatory compliance.	8	Ongoing	Lead
5	Arrange regular public-private dialogue and collaboration related to FinTech and RegTech to strengthen the AML/CFT regime.	8	Ongoing	Co-Lead
6	Ensure smooth information exchange among the FinTech/RegTech companies.	8	Ongoing	Co-Lead
7	Encourage ROs to appoint strong, qualified members for the board of directors.	11	Ongoing	Co-Lead
8	Ensure regular performance evaluation of the board by the regulators.	11	Ongoing	Co-Lead
9	Establish clear lines of accountability among the Board, CEO and management.	11	December 2019	Co-Lead
10	Take adequate steps to prevent insider lending and loan fraud by owners, directors and senior management of the ROs and thereby ensure sound corporate governance.	11	Ongoing	Co-Lead

Ministry of Law, Justice & Parliamentary Affairs

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Issue guidelines for joint investigation of ML cases.	2	December 2019	Lead
2	Establish a legal and institutional basis for an independent prosecution service or attorney service, at least for trial of ML and TF cases.	4	December 2020	Lead
3	Provide required resources/funds to the independent prosecution service and AGO.	4	December 2020	Lead
4	Conduct survey to find out required Special Judges and Special Tribunals as well as the resources required for effective functioning of the Court.	4	December 2019	Lead
5	Take proper steps to improve court and prosecutorial procedures to streamline the conduct of ML & TF trials.	4	December 2020	Lead
6	Provide training to Judges and Prosecutors on AML/CFT issues.	4	Ongoing	Lead
7	Find out procedure to avoid undue delay in ML & TF prosecutions.	4	Ongoing	Lead
8	Establish a database of ML and TF cases and maintain the case information in digital form.	4	December 2020	Lead
9	Digitalize all government services.	5	June 2021	Lead
10	Implement provisions of United Nations Convention Against Corruption (UNCAC).	5	Ongoing	Lead
11	Criminalize private sector corruption and corruption by foreign public officials.	5	December 2020	Lead
12	Streamline the investigation and prosecution of private sector corruption with proper legal instruments.	5	December 2019	Co-Lead
13	Ensure accountability and transparency in government procurement services rendered.	5	Ongoing	Lead
14	Arrange regular training program at home and abroad for the investigators, prosecutors and Judges engaged in corruption and ML cases.	5	Ongoing	Lead
15	Develop comprehensive asset management protocols to ensure that the value of confiscated goods is preserved and maintained.	9	December 2020	Lead
16	Amend Company Act, 1994 and Trust Act, 1882.	10	December 2019	Lead
17	Ensure provisions so that access to tax payer information related to legal arrangements is facilitated during inquiry or investigation stage.	10	December 2019	Co-Lead
18	Improve information sharing between RJSC, NBR, BFIU, LEAs and sub-registries.	10	Ongoing	Co-Lead

Ministry of Commerce

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Amend Company Act, 1994 and Trust Act, 1882.	10	December 2019	Lead
2	Ensure provisions so that access to tax payer information related to legal arrangements is facilitated during inquiry or investigation stage.	10	December 2019	Co-Lead
3	Analyze transparency and beneficial ownership of legal persons and prepare a detailed assessment report of the current position of Bangladesh regarding beneficial ownership.	10	March 2020	Co-Lead
4	Review the assessment prepared by RJSC and make recommendations regarding action that can be taken to address areas of non-compliance regarding beneficial ownership.	10	June 2020	Co-Lead
5	Develop a system for receiving and responding to requests from other jurisdictions regarding beneficial ownership of legal persons.	10	December 2019	Lead
6	Implement a system to monitor the quality of information and the timeliness of responding to requests for/from foreign jurisdictions.	10	December 2019	Lead
7	Increase the capacity and enforcement powers of the RJSC and other competent authorities and ensure sufficient human and other resources to monitor and sanction legal persons and arrangements which do not adhere to legal requirements.	10	Ongoing	Lead
8	Ensure a mechanism so that RJSC and other competent authorities proactively check information against other sources to identify anomalies or inconsistencies.	10	Ongoing	Lead
9	Ensure that persons who breach the required measures are subject to effective, proportionate and dissuasive sanctions.	10	December 2019	Lead
10	Require trustees to disclose their status to all ROs when forming business relationships.	10	December 2019	Co-Lead
11	Centralize the current system of registration of trust deed information to facilitate easy access to such information by competent authorities.	10	December 2019	Co-Lead

Ministry of Finance

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Empower customs authority to identify over-invoicing, under invoicing, over shipment, under shipment or phantom shipment not only for customs purposes but also to curb illicit flow of funds.	1	Ongoing	Co-Lead
2	Empower customs authority to identify over-invoicing, under invoicing, over shipment, under shipment or phantom shipment not only for customs purposes but also to fight TBML.	2	June 2020	Co-Lead
3	Ensure accountability and transparency in government procurement and service rendered.	5	Ongoing	Lead
4	Digitalize all government services.	5	June 2021	Lead
5	Determine a single/unique ID card system for all the citizens.	8	June 2020	Lead
6	Ensure smooth information exchange among the FinTech/RegTech companies.	8	Ongoing	Co-Lead
7	Arrange regular public-private dialogue and collaboration related to FinTech and RegTech to strengthen the AML/CFT regime.	8	Ongoing	Co-Lead
8	Improve information sharing between RJSC, NBR, BFIU, LEAs and sub-registries.	10	Ongoing	Lead
9	Ensure adequate steps to deal with fit and proper risks (with more focus on managing risks from IPs) in the board and management of the state owned commercial banks.	11	December 2020	Lead
10	Enforce proper measures to deal with fit and proper risks (with more focus on managing risks from IPs) in the board and management of securities intermediaries.	11	December 2020	Lead
11	Take proper steps to tackle insider trading and market manipulation risks.	11	Ongoing	Co-Lead
12	Take adequate steps to prevent insider lending and loan fraud by owners, directors and senior management of the ROs and thereby ensure sound corporate governance.	11	Ongoing	Co-Lead
13	Ensure adequate mechanism so that Bank management does not interfere in the day to day activities of the bank for unlawful purpose.	11	Ongoing	Co-Lead

Ministry of Foreign Affairs

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Support in conducting the study of IFF by providing information relating to special visa or immigration facilities and tax haven.	1	December 2020	Lead
2	Conduct a study to identify number of Bangladeshis getting 'investment visa', 'second home', long term stay visa, dual citizenship and the amount of funds (if any) transferred to get visa.	1	December 2019	Lead
3	Conduct a study to find out how many foreign employees are working in Bangladesh and how they are remitting funds to their home country.	1	December 2019	Lead
4	Support the study on TBML by providing regional information (i.e on price) collecting through own embassies abroad.	2	December 2020	Lead
5	Support LEAs or central authority to get investigation cooperation.	3	Ongoing	Lead
6	Support LEAs to make and get response of Letter of Rogatory.	3	Ongoing	Lead
7	Ensure accountability and transparency in government procurement and services rendered.	5	Ongoing	Lead
8	Digitalize all government services.	5	June 2021	Lead
9	Focus on restraint and confiscation for high risk crime areas such as human trafficking and seizing and freezing the widest range of property and instruments, including through international cooperation requests for foreign jurisdictions to freeze assets.	9	Ongoing	Lead

Ministry of Home Affairs

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Use wide range of international cooperation during investigation and prosecution.	3	Ongoing	Lead
2	Ensure accountability and transparency in government procurement and service rendered.	5	Ongoing	Lead
3	Digitalize all government services.	5	June 2021	Lead
4	Focus on restraint and confiscation for high risk crime areas such as human trafficking and seizing and freezing the widest range of property and instruments, including through international cooperation requests for foreign jurisdictions to freeze assets.	9	Ongoing	Lead
5	Develop a system for receiving and responding to requests from other jurisdictions regarding beneficial ownership of legal persons.	10	December 2019	Co-Lead
6	Implement a system to monitor the quality of information and the timeliness of responding to requests for/from foreign jurisdictions.	10	December 2019	Co-Lead

Ministry of Religious Affairs

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Ensure accountability and transparency in government procurement and service rendered.	5	Ongoing	Lead
2	Digitalize all government services.	5	June 2021	Lead
3	Conduct specific risk assessment on religious trusts including Waqf sector.	10	June 2020	Lead

Microcredit Regulatory Authority

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Engage all regulatory authorities, SRBs and associations to create a compliance culture among the reporting organizations.	6	Ongoing	Lead
2	Provide enough resources to the AML/CFT units of the regulators.	6	Ongoing	Lead
3	Focus on internal controls of ROs and on verification of CDD, identification of beneficial ownership and PEPs, ongoing CDD, and measures to improve the quality and quantity of STRs while inspecting ROs.	6	Ongoing	Lead
4	Develop effective and integrated system of monitoring and regulating NGOs with MRA, NGOAB, DSS and other concerned agencies.	6	December 2019	Lead
5	Enhance vigilance on the NGOs working in the border, coastal or hilly areas.	6	Ongoing	Lead
6	Encourage ROs to appoint strong, qualified members for the board of directors.	11	Ongoing	Lead
7	Ensure the regular performance evaluation of the board by the regulators.	11	Ongoing	Lead
8	Establish clear lines of accountability among the Board, CEO and management.	11	December 2019	Lead

National Board of Revenue

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Conduct a study to find out the amount of IFF from Bangladesh, how and where they are siphoned to.	1	December 2020	Co-Lead
2	Undertake necessary tax policy reforms to prevent the generation of undeclared money and to tackle tax evasion.	1	June 2020	Lead
3	Ensure a robust, modern and efficient international tax administration for tackling transfer mispricing and other cross-border schemes using offshore jurisdictions and shell companies.	1	Ongoing	Lead
4	Empower customs authority to identify over-invoicing, under invoicing, over shipment, under shipment or phantom shipment not only for customs purposes but also to curb illicit flow of funds.	1	Ongoing	Lead
5	Design and develop a system for effective declaration /disclosure of currency entering into or departing from Bangladesh and for currency or BNLs mailed or shipped into or out of Bangladesh.	1	December 2019	Lead
6	Continue sharing information relating to cross border declaration between Customs and BFIU.	1	Ongoing	Lead
7	Develop procedures for effective inter-agency cooperation and coordination on matters related to cross-border transportation of currency, including for exchange of information and investigation of breaches of declaration/disclosure system.	1	Ongoing	Lead
8	Establish connectivity of BFIU with ASYCUDA World of NBR.	2	March 2020	Lead
9	Empower customs authority to identify over-invoicing, under invoicing, over shipment, under shipment or phantom shipment not only for customs purposes but also to fight TBML.	2	June 2020	Lead
10	Establish separate wing for investigating TBML in the CIID and prosecution wing thereon.	2	December 2019	Lead
11	Conduct regular meeting on TBML cases between BFIU and CIID.	2	Ongoing	Lead
12	Train customs officials and employees of banks on cross border transactions especially transaction related to international trade.	2	Ongoing	Lead
13	Issue guidelines for joint investigation of ML cases.	2	December 2019	Co-Lead
14	Conduct study on TBML to find out vulnerable channels, products, payment methods and magnitude.	2	December 2020	Co-Lead
15	Engage trade bodies like ICC-Bangladesh, FBCCI, BGMEA, DCCI in the fight against TBML.	2	Ongoing	Lead
16	Form dedicated ML Investigation Units and depute committed human resources.	3	December 2019	Lead

Sl.	Action Items	Strategy Number	Timeframe	Role
17	Make parallel and joint investigation fully functional.	3	June 2021	Lead
18	Arrange proper training programs for all the LEAs' officials at home and abroad.	3	Ongoing	Lead
19	Conduct a review related to use of special investigative techniques for financial investigations, including: interception of communications, accessing computer systems, controlled delivery and undercover operations.	3	June 2021	Lead
20	Conduct a comprehensive legal review to find out the strengths and weaknesses in conducting ML investigation.	3	March 2020	Lead
21	Prioritize the installation of proper IT system and software in the LEAs to develop real time communication with BFIU.	3	December 2020	Lead
22	Develop a central repository for all statistics collected by national agencies and conduct periodic analyses of the statistics to assist in measuring the effectiveness and efficiency of the AML & CFT system in Bangladesh.	3	December 2019	Lead
23	Arrange periodic dialogue among Investigators, Prosecutors and Judges to discuss the difficulties in successful prosecution.	4	Ongoing	Lead
24	Ensure consultation of investigators and prosecutors in every ML case.	4	Ongoing	Lead
25	Digitalize all government services.	5	June 2021	Co-Lead
26	Enhance the capacity of tax authority to identify the undisclosed money or property.	5	Ongoing	Lead
27	Enhance cooperation among BFIU, ACC, Police and NBR.	5	Ongoing	Lead
28	Identify risk areas for narcotics, gold and trade based smuggling and human trafficking & people smuggling.	7	December 2019	Lead
29	Develop an Operational Manual or Standard Operating Procedure for customs officers and other border control officers to deal with ML & TF cases.	7	December 2019	Lead
30	Install high power scanner in all sea, land and airports to identify any undeclared/miss-declared items in the container or luggage.	7	December 2019	Lead
31	Share all information about the detection of gold and drugs smuggling and human trafficking with BFIU.	7	Ongoing	Lead
32	Conduct parallel financial investigation in every (if necessary) smuggling, drug and human trafficking case and extend such investigations and confiscation of proceeds of crime beyond instruments of crime.	7	Ongoing	Lead
33	Ensure all LEAs attach highest priority on tracing, freezing/seizing and confiscating proceeds of crime, including in cooperation with foreign counterparts.	9	Ongoing	Lead

Sl.	Action Items	Strategy Number	Timeframe	Role
34	Establish standard operating procedures and act expeditiously to freeze assets at the enquiry stage to ensure that property which may become subject to confiscation is not dissipated before prosecution.	9	December 2019	Lead
35	Prioritise asset tracing investigations, including coordinating with and using BFIU's extensive powers and expertise.	9	Ongoing	Lead
36	Encourage LEAs to consider making use of MLPA section-17(2) for non-conviction based confiscation powers.	9	Ongoing	Lead
37	Engage prosecutors to work closely with all the LEAs to guide their use of provisional measures early in the enquiry of profit driven crimes.	9	Ongoing	Lead
38	Develop comprehensive asset management protocols to ensure that the value of confiscated goods is preserved and maintained.	9	December 2020	Lead
39	Ensure that those who are responsible for managing (or overseeing the management of) property have sufficient expertise to manage any type of property and capacity to provide immediate support and advice to law enforcement at all times in relation to freezing and seizure, including advising on and subsequently handling all practical issues in relation to freezing and seizure of property.	9	Ongoing	Lead
40	To ensure the transparency and assess the effectiveness of the asset management system, ensure mechanisms to track frozen/seized property, assess its value at the time of freezing/seizure, and thereafter as appropriate, keep records of its ultimate disposition; and, in the case of a sale, keep records of the value realised.	9	Ongoing	Lead
41	Raise LEAs' awareness of powers to lift the corporate veil in AML/CFT investigations.	10	Ongoing	Lead

NGO Affairs Bureau

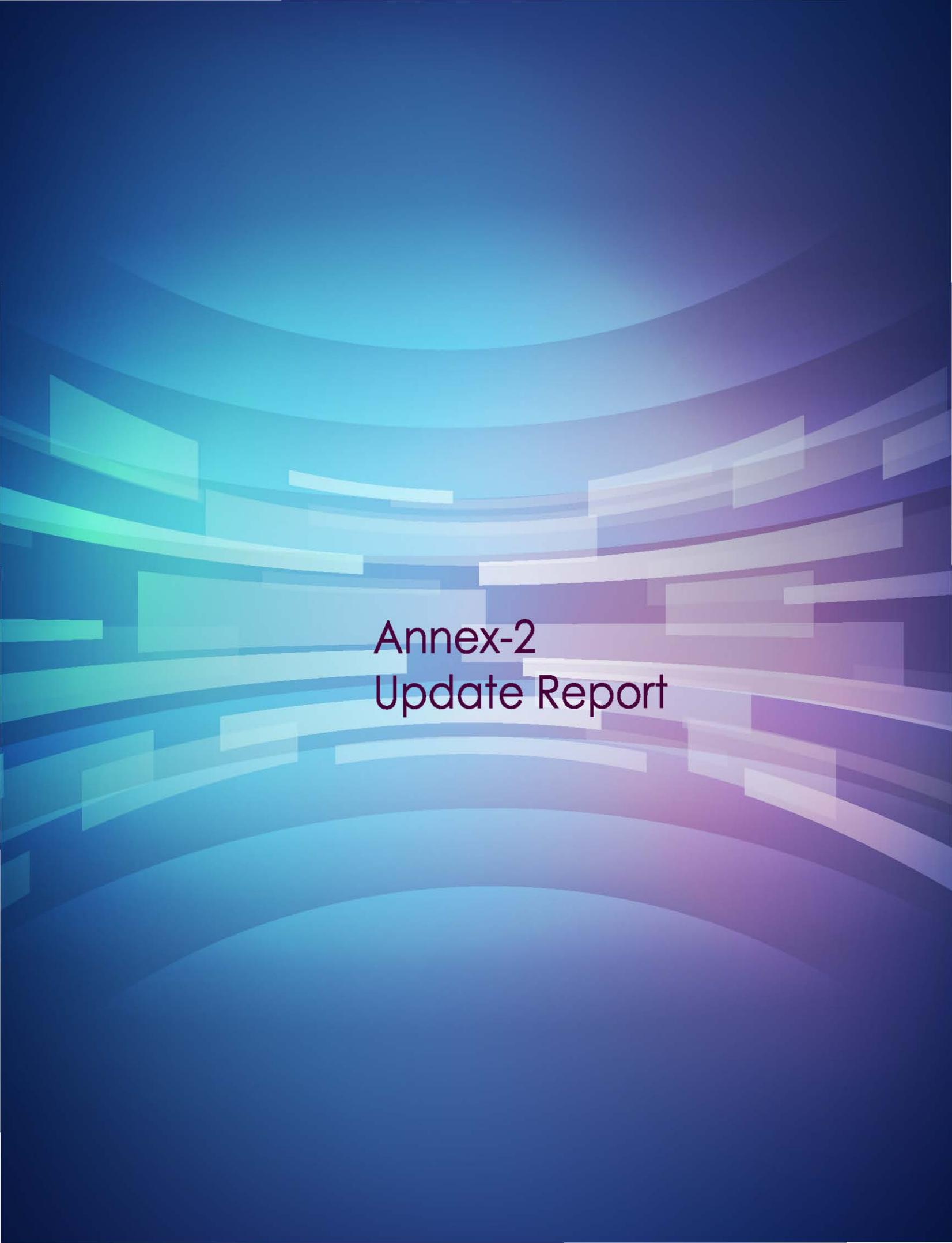
Sl.	Action Items	Strategy Number	Timeframe	Role
1	Ensure accountability and transparency in government procurement and services rendered.	5	Ongoing	Lead
2	Engage all regulatory authorities, SRBs and associations to create a compliance culture among the reporting organizations.	6	Ongoing	Lead
3	Provide enough resources to the AML/CFT units of the regulators.	6	Ongoing	Lead
4	Focus on internal controls of ROs and on verification of CDD, identification of beneficial ownership and PEPs, ongoing CDD, and measures to improve the quality and quantity of STRs while inspecting ROs.	6	Ongoing	Lead
5	Develop effective and integrated system of monitoring and regulating NGOs with MRA, NGOAB, DSS and other concerned agencies.	6	December 2019	Lead
6	Enhance vigilance on the NGOs working in the border, coastal or hilly areas.	6	Ongoing	Lead
7	Develop a comprehensive database on NGOs' activities.	6	December 2019	Lead
8	Arrange frequent workshop, seminars to create awareness among NGOs and DNFBS.	6	Ongoing	Lead
9	Encourage ROs to appoint strong, qualified member for the board of directors.	11	Ongoing	Lead
10	Ensure the regular performance evaluation of the board by the regulators.	11	Ongoing	Lead
11	Establish clear lines of accountability among the Board, CEO and management.	11	December 2019	Lead

Prime Minister's Office

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Ensure accountability and transparency in government procurement and service rendered.	5	Ongoing	Lead
2	Digitalize all government services.	5	June 2021	Lead
3	Determine a single/unique ID card system for all the citizens.	8	June 2020	Lead

Registrar of Joint Stock Companies & Firms

Sl.	Action Items	Strategy Number	Timeframe	Role
1	Amend Company Act, 1994 and Trust Act, 1882.	10	December 2019	Co-Lead
2	Ensure provisions so that access to tax payer information related to legal arrangements is facilitated during inquiry or investigation stage.	10	December 2019	Co-Lead
3	Analyze transparency and beneficial ownership of legal persons and prepare a detailed assessment report of the current position of Bangladesh regarding beneficial ownership.	10	March 2020	Lead
4	Review the assessment prepared by RJSC and make recommendations regarding action that can be taken to address areas of non-compliance regarding beneficial ownership.	10	June 2020	Lead
5	Develop a system for receiving and responding to requests from other jurisdictions regarding beneficial ownership of legal persons.	10	December 2019	Co-Lead
6	Implement a system to monitor the quality of information and the timeliness of responding to requests for/from foreign jurisdictions.	10	December 2019	Co-Lead
7	Increase the capacity and enforcement powers of the RJSC and other competent authorities and ensure sufficient human and other resources to monitor and sanction legal persons and arrangements which do not adhere to legal requirements.	10	Ongoing	Lead
8	Ensure a mechanism so that RJSC and other competent authorities proactively check information against other sources to identify anomalies or inconsistencies.	10	Ongoing	Lead
9	Ensure that persons who breach the required measures are subject to effective, proportionate and dissuasive sanctions.	10	December 2019	Lead
10	Require trustees to disclose their status to all ROs when forming business relationships.	10	December 2019	Co-Lead
11	Centralize the current system of registration of trust deed information to facilitate easy access to such information by competent authorities.	10	December 2019	Lead
12	Improve information sharing between RJSC, NBR, BFIU, LEAs and sub-registries.	10	Ongoing	Lead
13	Ensure adequate steps to mitigate risks posed by share warrants including capturing the beneficial ownership of share warrants.	10	Ongoing	Lead
14	Ensure verification of information of the trust deeds by the Sub-registrar's office/ Registrar's office/RJSC or other competent authority.	10	Ongoing	Lead
15	Ensure full implementation of the digital signature system by RJSC and utilise Election Commission and NSIA facilities for verification of provisions as granted in the MOU.	10	Ongoing	Lead



Annex-2
Update Report

Half-yearly update report for submission to National Coordination Committee on AML & CFT

1. Name of the agency

Month of the Reporting January July

SL NO	Action Items (listed in the strategy paper)	Timeframe	Update

Name and Signature

Acronym

ACC	Anti Corruption Commission
AGO	Attorney General's Office
AML & CFT	Anti-Money Laundering and Combating the Financing of Terrorism
APG	Asia Pacific Group on Money Laundering
ATA	Anti-Terrorism Act
BB	Bangladesh Bank
BFIU	Bangladesh Financial Intelligence Unit
BP	Bangladesh Police
BSEC	Bangladesh Securities and Exchange Commission
CDD	Customer Due Diligence
CID	Criminal Investigation Department
CTR	Cash Transaction Report
FATF	Financial Actions Task Force
FBCCI	Federation of Bangladesh Chamber of Commerce and Industries
FIU	Financial Intelligence Unit
GFI	Global Financial Integrity
GoB	Government of Bangladesh
ICC	International Chamber of Commerce
ICRG	International Cooperation and Review Group
IDRA	Insurance Development and Regulatory Authority
IFF	Illicit Flow of Funds
IP	Influential Persons
LEA	Law Enforcement Agency
MER	Mutual Evaluation Report
ML	Money Laundering
MLA	Mutual Legal Assistance
MLPA	Money Laundering Prevention Act
MoU	Memorandum of Understanding
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoHA	Ministry of Home Affairs
MoLJ&PA	Ministry of Law, Justice and Parliamentary Affairs

MRA	Microcredit Regulatory Authority
NBR	National Board of Revenue
NCC	National Coordination Committee on AML & CFT
NGOs	Non-Government Organizations
NRA	National Risk Assessment
PEPs	Politically Exposed Persons
RJSC	Registrar of Joint Stock Companies and Firms
SB	Special Branch of Bangladesh Police
STR	Suspicious Transaction Report
TF	Terrorist Financing
TBML	Trade Based Money Laundering
TFS	Targeted Financial Sanction
TPU	Transfer Pricing Unit
UNCAC	United Nations Convention against Corruption

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