

Money Laundering Prevention Policy

Naripokkho

January 2021

Nilu Square, House # 75, Road # 5/A Satmashjid Road,
Dhanmondi, Dhaka 1209

Handwritten signature

Table of Contents

Serial no	Subject	Page Number
1.	Background	01
2.	Aim	01
3.	Scope	01
4.	Opportunity	01
5.	Definition of Money Laundering	01
6.	Naripokkho's Policy	02
7.	Report	03
8.	Risk Management	03
9.	Storage of Information and Documents	03
10.	Financial Transactions through Banks	04
11.	Use/Management of Funds	04
12.	Restrictions on Accumulated Funds	04
13.	Reporting of Suspicious Financial Transactions and Activities	04
14.	Training and Recruitment	05
15.	Policy Review	05
16.	Pattern of Suspicious Activity	05
17.	Activities	06
18.	Annex A	07
19.	Annex B	09

[Handwritten signature]

1. Background:

Money laundering undermines the economy and jeopardizes social security. It holds significant social and political implications, as laundered funds can corrupt national institutions and foster internal criminal activities due to the lack of accountability for such funds. In response to escalating concerns regarding money laundering, the Government of Bangladesh has undertaken several prioritized actions. Naripokkho maintains stringent protocols against fund collection and diversion, aligning itself as a development partner with the government's collective efforts to combat money laundering. Naripokkho has thus implemented policies aimed at preventing money laundering.

2. Aim:

- **This policy aims to facilitate the seamless operation of Naripokkho's activities.**
- **Adhering to these principles will mitigate the risk of violating money laundering laws.**

3. Scope:

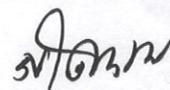
This policy is mandatory for all members, staff, affiliates, volunteers, advisors, vendors, and service staff of Naripokkho. It applies to all individuals working for Naripokkho, whether paid or unpaid, full-time or part-time.

4. Implementation:

This policy applies to all employees of the organization to prevent crimes such as money laundering. All Naripokkho employees must be familiar with this policy. If an employee is found guilty of any crime related to this, the designated personnel responsible for money laundering prevention will conduct an investigation. Failure to adhere to the procedures outlined in this policy will result in disciplinary action under Naripokkho's policies and regulations. This policy is enacted under the Money Laundering Prevention Act, 2012 by the Government of Bangladesh and the Circular issued on 22 September 2013 by the Bangladesh Financial Intelligence Unit (BFIU).

5. Definition of Money Laundering:

Money laundering is the process through which funds obtained from illegal activities are made to appear legitimate. It involves concealing the source of illegal or unethical funds and disguising them as having a legal origin. This definition is provided in the Money Laundering Prevention Act, 2012 by the Government of Bangladesh.

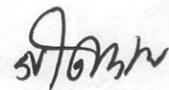


'Money Laundering' includes:

- a) Knowingly moving, converting, or transferring proceeds of crime or property involved in an offense for the following purposes:
- (i) Concealing or disguising the illicit nature, source, location, ownership, or control of the proceeds of crime; or
 - (ii) Assisting any person involved in the commission of the predicate offense to evade the legal consequences of such offense.
- b) Smuggling money or property earned through legal or illegal means to a foreign country.
- c) Knowingly transferring or remitting proceeds of crime to a foreign country, or remitting or bringing them into Bangladesh from a foreign country with the intent to hide or disguise their illegal source.
- d) Concluding or attempting to conclude financial transactions in a manner to avoid reporting requirements under relevant laws.
- e) Converting, moving, or transferring property with the intent to instigate or assist in committing a predicate offense.
- f) Acquiring, possessing, or using any property, knowing it to be the proceeds of a predicate offence.
- g) Engaging in activities to conceal or disguise the illegal source of proceeds of crime.
- h) Participating in, associating with, conspiring, attempting, abetting, instigating, or counselling to commit any of the aforementioned offences.

6. Naripokkho's Policy:

To prevent money laundering, the Government of Bangladesh has enacted the Money Laundering Prevention Act, 2012. Naripokkho shall appoint a responsible individual to implement this policy, who will liaise with the Bangladesh Financial Intelligence Unit (BFIU) as the point of contact for Naripokkho. This individual shall also report to the organization's Administrative Manager – Accounts. They will provide information to the BFIU for communication. The designated person for implementing this policy will organize quarterly meetings to strategize and address activities related to money laundering prevention. Minutes and documents of these meetings shall be properly preserved.



7. Reporting:

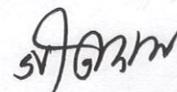
Under this policy, it is the primary responsibility of all staff and members to promptly inform the designated person responsible for implementing this policy using the provided format (Annex – B) in case of any suspicion or concern regarding money laundering, or upon confirmation of potential money laundering activities by any individual or organization associated with Naripokkho.

8. Risk Management:

Naripokkho shall undertake appropriate measures to identify, assess, and comprehend risks associated with its stakeholders, direct beneficiaries (individuals or organizations), countries or geographic regions, as well as products, services, transactions, or distribution channels. Based on the risk assessment, Naripokkho shall take the necessary steps to mitigate these risks.

9. Storage of Information and Documents:

- a) Naripokkho shall retain information of direct beneficiaries for a minimum of five (5) years. Information regarding affiliate organizations shall be retained for at least five (5) years from the completion date of the agreement.
- b) Detailed information regarding Naripokkho's objectives, activities, and aims shall be maintained and accessible to all.
- c) Naripokkho shall collect and store accurate and comprehensive information about individuals who control or manage the organization's activities. This information, including complete identification details such as photographs, parents' names, spouse's names, children's names, date of birth, nationality, present and permanent addresses, occupation/source of income, etc., shall be made accessible to all.
- d) Naripokkho shall retain all information based on agreements with partner organizations for program implementation as fund recipients and donor organizations. Information regarding partner or affiliate organizations shall be retained for at least five (5) years from the completion date of the agreement.
- e) Naripokkho shall maintain financial audit reports of the past five (5) years, detailing income, expenditure, and supporting documents.
- f) Before and after recruitment, Naripokkho shall retain identification information, relevant experience, and other supporting documents (national identity card, passport, academic and experience certificates, etc.) of selected personnel.



10. Financial Transactions through Banks:

- a) Naripokkho shall maintain an account in the organization's name at the nearest scheduled bank branch. Transactions with partner organizations amounting to 1,00,000/ (one lakh taka) and above shall be conducted through banking channels.
- b) Naripokkho shall maintain only one bank account for the receipt of foreign grants. Separate bank accounts may be opened for individual projects after receiving grants.
- c) Subject to the Executive Council's approval of Naripokkho, bank accounts may be managed with the signatures of three authorized individuals. Naripokkho shall maintain records of checks issued for deposits or withdrawals from accounts.

11. Use/Management of Funds:

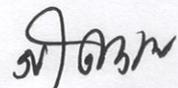
- a) Naripokkho's Executive Council shall ensure that all funds are utilized in accordance with Naripokkho's goals and activities, as approved by the Executive Council. Annual independent audits shall be conducted. Naripokkho shall submit account statements for specified grant amounts for periodic project expenditures.
- b) Naripokkho shall utilize grants only after obtaining clearance from the NGO Affairs Bureau or the donor agency and shall not return any unused portion of the grant (if any) to the foreign donor without prior permission from the NGO Affairs Bureau.
- c) Naripokkho shall verify the accuracy of donations before disbursing them to affiliated/partner organizations.
- d) All projects undertaken by Naripokkho shall undergo external audits to ensure compliance with NGO Affairs Bureau guidelines.
- e) Naripokkho shall maintain a standardized accounting system for all financial transactions.

12. Restrictions on Accumulated Funds:

- a) Naripokkho shall not accept donations from individuals or organizations identified as terrorists by the United Nations Security Council or involved in terrorist activities.
- b) Naripokkho shall not donate to any person or organization blacklisted by the Government of Bangladesh.

13. Reporting of Suspicious Financial Transactions and Activities:

- a) The designated individual for Naripokkho shall follow Section-2 JA of the Money Laundering Prevention Act, 2012, to identify suspicious transactions.
- b) Upon identifying any suspicious transaction or activity, Naripokkho shall verify its accuracy and submit a report to the General Manager, BFIU, Bangladesh Bank, Dhaka, using the format in 'Annex-A'.



c) Naripokkho may report a Suspicious Transaction Report (STR) or Suspicious Activity Report (SAR) using the format in 'Annex-B' and may take legal action according to the country's Anti-Money Laundering laws if they suspect the involvement of any affiliated/partner organizations or have received requests from them to conduct such transactions.

d) If any individual from an affiliated/partner organization is involved in financing terrorism or terrorist activities, organized crime, corruption, bribery, forgery, or any other crime and attempts to launder money or property obtained from such activities, Naripokkho must report such offenses using the 'Annex-B' format.

14. Training and Recruitment:

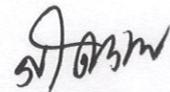
During employee recruitment, Naripokkho shall retain copies of national identity cards, educational certificates, experience certificates, etc., and provide necessary training to employees to prevent money laundering.

15. Policy Review:

This policy shall be reviewed and revised every three years under Anti-Money Laundering Compliance Officer (AMLC0) guidelines and changes in statutory laws by the Government of Bangladesh.

16. Types of Suspicious Activities:

The following table describes the types of activities that may be considered suspicious and how Naripokkho will proceed with these activities.



Activities	Activity types that may be affected
Conducting financial transactions with individuals or organizations	<ul style="list-style-type: none"> • Lease of property to an individual or organization • Entering into other lease agreements • Providing promised services to other organizations • Requests for payment to third parties for goods and services
Declaration of Funding for Affiliated/Partner Organizations	<ul style="list-style-type: none"> • Granting funds to affiliated organizations without a specific project or program • Making payments without proper verification
Any individual or entity that acts dishonestly or illegally	
Unethical transactions	
Cash payments	
Transfer of funds outside the country	<ul style="list-style-type: none"> • Request for transferring funds outside the country

Signature

Annex –A: Suspicious Transaction/Activity Report (STR/SAR) Format

Annex –A: Suspicious Transaction/Activity Report (STR/SAR) Format

A.	Details	Information
	1. Company Name	
	2. Address	
B.	Suspected (place tick):	
	Money laundering	
	Terrorist financing	
C.	Report Details:	
	1. Date of dispatch of report	
	2. Name of the project/program of the partner organization, where the beneficiary is 3. Address of the project office of the associate organization	
D.	Beneficiary/Customer Details:	
	1. Name:	
	2. Father's Name:	
	3. Mother's name	
	4. Date of Birth:	
	5. Profession:	
	6. Address:	
	7. Nationality:	
E.	Transactions/activities are suspicious/unusual Factors to consider:	
F	Is your organization taking any steps in this regard?	

(Attach additional information if you feel necessary)

Handwritten signature

G.	Is your organization taking any steps in this regard? If the answer is yes, please give details	
H.	Attach documents:	
	1.	
	2.	

Signature of AMLCO:

Name:

Designation:

Phone:

E-mail:

sr/03m

Annexure B – Suspicious Transaction/Activity Report (STR/SAR) Format

A.	Report Details:	Information
	1. Reporter's Name	
	2. Address	
B.	Suspected (place tick):	
	Money laundering	
	Terrorist financing	
C.	Detailed report details:	
	1. Report Dispatch Date:	
	2. Name of Suspicious Organization: 3. Address of suspicious organization: 4. A. License No. and Date: 4. B. License Authority: 5. Project/work of the organization 6. Name and Designation of Organization Head: 7. Name and Surname of Suspect: Father's Name, Mother's Name, Address:	
D.	Reporters related with questionable associations (if any):	
E.	Suspicious transaction or nature of work Factors to consider:	
F	Attach documents:	
	1.	
	2.	
	3.	

(Attach additional information if you feel necessary)

Reporter Details:

Name:

Designation:

Phone:

E-mail: