

# Anti-Money Laundering Policy.

## DISABILITY INQUISITION ACTIVITIES (DIA).

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## List of Abbreviation.

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DIA	Disabled Inquisition Activities
DFID	Department for International Development
SIDA	Swedish International Development Agency
EU	European Union
GCERF	Global Community Engagement and Resilience Fund
NGO	Non-governmental Organization
BDT	Bangladeshi Taka
PNGO	Partner NGO
BFIU	Bangladesh Financial Intelligence
UnitED	Executive Director
MLPA	Money laundering Prevention Act

  
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## 1. About DIA

DIA, a leading human rights Organization has been supporting hundreds of NGOs in Bangladesh since 2002 to promote human rights and good governance. Through human rights and governance program, DIA contributes towards poverty reduction aiming to bringing change in the lives of most marginalized people. Since the beginning, DFID has been providing DIA funding support to implement human rights and governance program. DIA also receives funding support from other donors like SIDA, EU, World Bank, The Carter Center and GCERF to accelerate the human rights program.

### 1.1 Vision of DIA

To build people-oriented integrated socio-economic development through integrated socio-economic activities to improve the living standards of the poor, oppressed, tortured and helpless people of Bangladesh..

### 1.2 Mission of DIA

2. Ensuring employment and poverty alleviation and socio-economic status of the youth, ensuring basic human freedoms and human rights as well as providing legal assistance to vulnerable poor abused children and women, development of adolescents as well as welfare of the physically and mentally handicapped, insuring maternal and child health care by assisting in family planning as well as raising awareness on safe food and water and hygienic toilet access, adopting projects to support both basic and institutional education and acting as a supporting force of the government, development of agricultural systems as well as adopting projects and it's implementation to development of natural environment and expansion of social forestry, controlling drug use and prevention by creating social awareness about drugs and their evils, development of rural infrastructure as well as providing assistance in disaster relief and rehabilitation of the victims, providing support to fisheries-poultry and animal husbandry through adopting various science based projects, providing financial assistance to expansion of small and lumbar industries as well as coordinating various voluntary organizations by organizing various seminars-symposiums and conferences for the overall development of the society.

## 3. Background of this policy

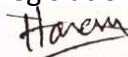
Money laundering has potentially devastating economic, security, and social consequences. The social and political costs of laundered money are also serious as laundered money may be used to corrupt national institutions. When money laundering goes unchecked, it encourages the underlying criminal activity from which such money is generated.

In response to the growing concern about money laundering, Bangladesh Government has been acting on many fronts. DIA is also strict enough to avoid supporting of illegal activities through raising and moving funds, providing logistic supports or otherwise. As a development partner of Government, DIA fully supports Government's collective efforts for prevention of money laundering and has developed effective internal controls and practices that lessen the risk of money laundering. DIA adopts policy to prevent money laundering.

## 4. Aim of this Policy

This policy contributes to the overall governance of DIA to ensure that DIA is well managed and fulfills statutory and regulatory duties in a proper and reasonable manner.

Risk of DIA associated with contravening money laundering legislation is relatively low. But DIA is not completely immune from the risks surrounding money laundering. The aim of this anti-money laundering policy is to clear that DIA holds the underlying principles of money laundering legislations. Through this policy, accompanying procedures & reporting forms,

  
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DIA takes reasonable steps to minimize the probability of occurring money laundering.

#### **5. Scope of this policy**

This policy is applicable for DIA as well as all employees of DIA to prevent criminal activity of money laundering. It is extremely important that all employees of DIA are familiar with their legal responsibilities. All employees will promptly report any suspicious transaction and activity to Anti Money Launder Compliance Officer (AMLCO) of DIA.

Failure by any employee to comply with the procedures set out in this policy may lead to disciplinary action being taken against him/her. Any disciplinary action will be dealt with in accordance with DIA disciplinary policy and procedure. This policy is aligned with Anti Money Laundering Prevention Act, 2012 enacted by Government of Bangladesh and BFIU Circular no 14, dated on 02 September, 2015.

#### **6. Definition of money laundering:**

Fundamental concept of money laundering is the process by which proceeds from a criminal activity are disguised to conceal their illicit origins. It is the process of channeling 'bad' money into 'good' money in order to hide the source of money originated from.

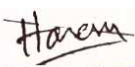
Money Laundering defined in the Anti-Money Laundering Prevention Act, 2012 enacted by Government of Bangladesh as follows:

#### **Money laundering means-**

- i. Knowingly moving, converting, or transferring proceeds of crime or property involved in an offence for the following purposes:-
  - (1) Concealing or disguising the illicit nature, source, location, ownership or control of the proceeds of crime; or
  - (2) Assisting any person involved in the commission of the predicate offence to evade the legal consequences of such offence;
- ii. Smuggling money or property earned through legal or illegal means to a foreign country;
- iii. Knowingly transferring or remitting the proceeds of crime to a foreign country or remitting or bringing them into Bangladesh from a foreign country with the intention of hiding or disguising its illegal source; or
- iv. Concluding or attempting to conclude financial transactions in such a manner so as to reporting requirement under this act may be avoided;
- v. Converting or moving or transferring property with the intention to instigate or assist for committing a predicate offence;
- vi. Acquiring, possessing or using any property, knowing that such property is the proceeds of a predicate offence;
- vii. Performing such activities so as to the illegal source of the proceeds of crime may be concealed or disguised;
- viii. Participating in, associating with, conspiring, attempting, abetting, instigate or counsel to commit any offences mentioned above.

#### **7. Meaning of various terms used in this policy: Smuggling of money or property:**

- I. Transfer or holding money or property outside the country in breach of the existing laws in the country.
- II. Refrain from repatriating money or property from abroad in which Bangladesh has an

  
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interest and was due to be repatriated.

- III. Not bringing into the country the actual dues from a foreign country, or paying to a foreign country in excess of the actual dues.

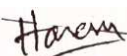
**Property means:**

1. Any type of tangible, intangible, moveable, immovable property, or
2. Cash, any deed or legal instrument of any form including electronic or digital form giving evidence of title or evidence of interest relating to title in the property which is located within or outside country.

**Predicate Offence Means:**

Predicate offence means the offences mentioned below, by committing which within or outside the country, the money or property derived from is laundered or attempt to be laundered, namely-

- i. Corruption and bribery
- ii. Counterfeiting currency
- iii. Counterfeiting deeds and documents
- iv. Extortion
- v. Fraud
- vi. Forgery
- vii. Illegal trade of firearms
- viii. Illegal trade in narcotic drugs, psychotropic substances and substances causing intoxication
- ix. Illegal trade in stolen and other goods
- x. Kidnaping, illegal restrain and hostage taking
- xi. Murder, grievous physical injury
- xii. Trafficking of women and children
- xiii. Black marketing
- xiv. Smuggling of domestic and foreign currency
- xv. Theft or robbery or dacoit or piracy or hijacking of aircraft
- xvi. Human trafficking
- xvii. Dowry
- xviii. Smuggling and offence related to customs and excise duties
- xix. Tax related offences
- xx. Infringement of intellectual property rights
- xxi. Terrorism or financing of terrorist activities
- xxii. Adulteration or the manufacture of goods through infringement of titles
- xxiii. Offence relating to the environment
- xxiv. Sexual exploitation
- xxv. Insider trading and market manipulation using price sensitive information relating to the capital market in share transaction before it is published for general information to take advantage of the market and attempting to manipulate the market for person or institutional gain.
- xxvi. Organized crime and participation in organized criminal groups.
- xxvii. Racketeering and
- xxviii. Any other offence declared as predicate offence by Bangladesh Bank, with the approval of government, by notification in the official gazette for the purpose of Money Laundering Prevention Act.

  
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**7. Legislations for DIA concerning money laundering**

Bangladesh Government enacted Money Laundering Prevention Act 2012 and BFIU Circular no 14, dated on 02 September, 2015 of Bangladesh Bank which set out the money laundering regulations. This legal and regulatory framework and obligations is in place on DIA.

DIA nominates the **Coordinator-HR and Admin** as Anti-Money Laundering Compliance Officer (AMLCO). He will hold the responsibility to deal with BFIU as contact person of DIA. AMLCO will be responsible to ED. S/he will provide his/her contact details to Bangladesh Financial Intelligence Unit (BFIU).

AMLCO will arrange a quarterly meeting to set strategy and activity regarding prevention of money laundering. He will preserve the meeting minutes and documents properly.

**8. Reporting to the Anti-Money Laundering Compliance Officer (AMLCO) of DIA:**

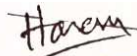
Under this policy, the primary duty of any employee is to ensure that any suspicions or concerns that money laundering has occurred, or is likely to occur by any individual or organization who deals with DIA, should be reported to the AMLCO of DIA in prescribed format (Annexure-B) as soon as the suspicion arises.

**9. Risk Management:**

DIA shall take appropriate steps to identify, assess and understand their ML risks for stakeholders/direct beneficiaries (person, group of persons or organization etc), countries or geographic areas, products, services, transactions or delivery channels. Based on the risk assessment, DIA shall take appropriate measures to mitigate the risk.

**10. Preservation of Information and Documents:**

- I. DIA has to preserve direct beneficiaries' information for 5(five) years. DIA also preserve partner NGO's information for at least 5(five) years from the closing date of agreement.
- II. DIA has to preserve information related to its goals, objectives and activities in details. This information should be publicly available.
- III. Collect and preserve the correct and complete information of identification of those who control or direct the activities of DIA (board members, trustee, SMT) in details. Here complete information of identification refers to formal name along with other names used to identify the person, photograph, parents' name, spouse's name, children's name, date of birth, nationality, present and permanent address, profession/sources of income and other involvements etc. This information should be publicly available.
- IV. DIA, as donor/ fund canalize organization, will collect such information from their fund recipient or partner NGO/CBOs including any subcontracting organizations appointed by the DIA. The DIA has to preserve such information for at least 5(five) years from the closing date of agreement.
- V. Preserve the audited financial statements (of DIA and of each project/component) of previous 5 (five) years with detail break up of income and expenditures, and with supporting documents.
- VI. Collect and verify the identification information, relevant experience, other involvements and supporting documents (copies of National ID, passport, academic and experience certificates etc.) of the selected employees before/after recruitment. Here identification information refers to formal name and other names used to identify the person, photograph, parents' name, spouse's name, date of birth, nationality, present and permanent address. Besides that, organization may also seek

  
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and verify information from the references given by the candidate in their job application/resume.

**11. Financial Transaction through Banking Channel:**

- I. DIA will maintain bank account in the name of the organization with nearby scheduled bank branch. All customers' transactions of DIA involving Tk.1, 00,000/ (One Lac) and above shall be routed through banking channel.
- II. DIA will maintain only one bank account for receiving foreign donations/grants. Separate bank accounts for separate projects may be maintained after the donations have been received through the only bank account opened for receiving funds.
- III. DIA will operate bank accounts with joint signatories by at least two officials as approved by appropriate authority.
- IV. When cheques have been issued for deposits or withdrawals to and from the accounts, DIA must ascertain the identity of depositors/withdrawers for future reference.

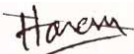
**12. Operation/Utilization of Grants**

- 1.1 Governing board (highest policy making body) and senior management of the DIA has to ensure that all funds are utilized in a manner that is consistent with the stated goals, objectives and activities of DIA which have been approved by the regulatory authority. Independent Audit has to be conducted annually. In this regard DIA will receive Statement of Assurance regarding fund utilization by PNGO for specific periodical project expenditure.
- 1.2 DIA will utilize the grants after getting clearance certificate from NGOAB and unutilized portion of grants (if any) will not refund to foreign donor without prior approval from NGOAB.
- 1.3 DIA will conduct due diligence before awarding sub-grants.
- 1.4 DIA has to conduct yearly external audit for all projects to comply NGOAB requirements.
- 1.5 DIA will maintain Standard Accounting Procedure for all its financial transactions.

**13. Restriction on Receiving Fund:**

- I. DIA will conduct Due Diligence while receiving from those foreign countries, personnel and institutions which are listed under High Risk and Non-Cooperative Jurisdiction countries by Financial Action Taskforce in their Public Statement.
- II. DIA does not receive any grants from those personnel or entity whose are identified by United Nations Security Council as terrorist financier and involved in terrorist activism.
- III. DIA does not award grants to any person and entity whose are banded by Bangladesh Government.
- IV. Reporting the suspected financial transaction and activities:

To identify suspicious transaction, the responsible person of DIA will follow clause number 2(JA) of Prevention of Money Laundering Act, 2012.

  
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- V. Any suspicious transaction or activity if identified, after it's proper scrutinizing will be reported using prescribed format in 'Annexure-A' to General Manager, BFIU, BangladeshBank, Dhaka.
- VI. DIA shall report Suspicious Transaction Report (STR) or Suspicious Activity Report (SAR) in 'Annexure-B' form if they suspect any partner NGO/stakeholders (donor or recipient)involvement with or got request from them to carry out such activities which are contrary to the existing AML law and rules of the country.
- VII. If any PNGO/CBOs or any person of PNGO/CBOs is involved with terrorism or financing in terrorist activities, organized crime; or is involved with corruption and bribery, fraud, forgery, or any other (predicate) offences and the money or property earned from them is laundered or attempted to be laundered, such incidents should also be reported in 'Annexure B' form.

**14. Training and Appointment:**

During staff appointment, DIA will review and preserve copy of documents related to individual staff like National ID, Passport, Educational Certificate, Experience Certificate etc.

DIA will take appropriate measures to aware employees about the policy relating to **money laundering** and will arrange necessary training.

**15. Review the policy:**

The policy will be reviewed and revised by AMLCO after at least every 3 years or more frequently, if required, in the light of the changes of statutory legislations of BangladeshGovernment.

**16. Types of activities that might be suspicious:**

The following table sets out the types of activities that might be suspicious, and how DIAMay come across those activities and it is not intended to be exhaustive.

Activity	Type of Activity that may be affected
Financial transaction with new individual or entity	<ul style="list-style-type: none"> <li>• Renting out property to individual or anyorganization</li> <li>• Entering into other lease agreements</li> <li>• Undertaking service for other organizations</li> <li>• Requests to pay third party in respect of goods andservices</li> </ul>
Awarding sub-grants to NGO	<ul style="list-style-type: none"> <li>• Providing sub-grants to NGOs without any specificproject or activities.</li> <li>• Providing sub-grants without any due diligence.</li> </ul>
Any party who we think is acting dishonestly or illegally	<ul style="list-style-type: none"> <li>• People paying for DIA service who do not providedetail about themselves.</li> <li>• DIA tendering for contracts unable to provide proper financial information/information provided raises concerns.</li> <li>• Tender for a contract which is suspiciously low.</li> </ul>

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Illogical transaction	<ul style="list-style-type: none"> <li>• Paid in cash and after that request for refunds.</li> <li>• Request for DIA to pay in foreign currencies for noapparent reasons.</li> </ul>
Payment of substantial amounts by cash	Large debt arrears paid in cash
Movement of fund overseas	Request to pay money to overseas.

**Annexure A: Suspicious Transaction/Activity Report (STR/SAR) Format**

A.	Particulars	Information
	1. Name of the NGO:	
	2. Detail Address of Head Office/ Country Office:	
B.	B. Suspected for (put tick mark):	
	1. Money laundering	
	2. Terrorist financing	
C.	Details of Report:	
	1. Date of Sending Report:	
	2. Name of the NGO Project/Program where the person is a beneficiary:	
	3. Address of the NGO Project Office:	
D.	Details of Customer/Beneficiary	
	1. Name:	
	2. Father's Name:	
	3. Mother's Name:	
	4. Date of Birth:	
	5. Occupation:	
	6. Address:	
	7. Nationality:	
E.	Reasons for considering the activity/transaction as suspicious/unusual:	
F.	Has your NGO taken any action in this context? If yes, give details	
G.	Attached Documents:	
	1.	
	2.	

[Please add additional information if you feel necessary]Signature of AMLCO:

Name: Designation:Phone:

E-mail:

**Annexure-B: Suspicious Transaction/Activity Report (STR/SAR) Format**

A.	Reporter's Details:	Information
	1. Name of the Reporter:	
	2. Detail Address :	
B.	B. Suspected for (put tick mark):	
	1. Money laundering	
	2. Terrorist financing	

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C.	Details of Report:	
	1. Date of Sending Report:	
	2. Name of the Suspected NGO:	
	3. Address of the Suspected NGO:	
	4. (a) License No. & date:	
	(b) License Authority:	
	5. Project/Activities of the NGO	
	6. Name of the Key Persons with Designation of the NGO:	
	7. Name of the Suspected Persons with Designation of the NGO (with their father's & mother's name, address:	
D.	Reporter's Relation with the Suspected NGO (if any):	
E.	Nature of Suspicious Activity/Transaction and reasons for Considering it as suspicious	
F.	Attached Documents:	
	1.	
	2.	

[Please add additional information if you feel necessary]Details of Reporter:

Signature Name: Designation:Phone:

E-mail:

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