

PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

Dear Client,

Thank you for choosing Citibank, N.A. Bangladesh as your banking partner. We would like to draw your kind attention to the significant advancements in Bangladesh's regulatory landscape for combating Money Laundering (ML) and Terrorist Financing (TF). Keeping pace with the ever-increasing risk of ML and TF, Bangladesh has substantially strengthened its efforts in this area through new and updated laws, regulations and other implementable actions. Anti-Money Laundering (AML) Department of Bangladesh Bank started implementing the AML regime in Bangladesh immediately after the enactment of Money Laundering Prevention Act, 2002 (MLPA). It was eventually converted to Bangladesh Financial Intelligence Unit (BFIU), a department within Bangladesh Bank, set up as per section 24(1) of MLPA of 2012 (last amended in 2015). Both MLPA of 2012 (last amended in 2015) and Anti-Terrorism Act, 2009 (last amended in 2013) (ATA) empowers BFIU to perform the anchor role in combating Money Laundering and Terrorist Financing through instructing reporting agencies like banks and building awareness among the all stakeholders. BFIU has also become the member of EGSMOUNT Group, Global body of FIUs.

Punishments & penalties of Money Laundering and Terrorist Financing:

Both MLPA and ATA have provisions of punishment for individuals and entities and its management for engaging in ML and TF. Individuals can be punished with imprisonment and monetary fine and the court may also forfeit the convict's property in favor of the state. Entities are subject to monetary fine and their license may be revoked, or the entity may become listed as well. The head of the entity may also be punished with imprisonment and monetary fine.

BFIU continues to issue circulars and guidelines to clearly define the obligations of various reporting agencies. These acts, guidelines and circulars related to Money Laundering and Terrorist Financing can be found in the links given below:

Acts: https://bb.org.bd/bfiu/bfiu_acts.php

Rules: https://bb.org.bd/bfiu/bfiu_rules.php

Guidelines: https://bb.org.bd/bfiu/bfiu_lawguidelist.php

Circulars: <https://bb.org.bd/bfiu/circulars.php>

Please take note of the regulatory developments and your roles and responsibilities as an entity and if you are a reporting agency. We hope you will remain vigilant and committed to combating ML and TF. Moreover, it is also advisable to develop an AML program within your organization to run your businesses compliance to applicable standards.

Citi's commitment to prevent Money Laundering and Terrorist Financing:

We are pleased to inform you that Citi's commitment to prevent ML and TF is unwavering. Citi has made substantial efforts over the years to strengthen its AML Compliance Program and address legacy AML risks across all products, business lines, and geographies in a comprehensive manner. Citi Bangladesh has an AML program that provides practices, procedures and internal controls to -ensure compliance with applicable laws and regulations and to implement the standards set forth therein. We would request you to help us in this endeavor by providing us complete and correct information on your business activities, accounts, transaction patterns, etc. as and when required.

Your compliance to AML will surely help us serve you better. Please feel free to contact us through your designated Relationship Manager at Citibank, should you have any queries.

Yours sincerely,

Country Compliance

Citibank, N.A. Bangladesh