

**Anti-Money Laundering Department
Bangladesh Bank
Head Office
Dhaka**

Ma: La:Pra: Circular No. 01

04 Jayasta, 1409
Date:-----
18th May,2002

**All Banks , Financial Institutions
and Money Changers.**

Dear Sir/Madam

Money Laundering Prevention Act,2002

We invite your attention to the above mentioned subject.

02. **Money Laundering Prevention Act, 2002** (Act No. 7 of 2002) has been published in the Bangladesh Gazette (extra issue) on 7th April, 2002 with the purpose of combating money laundering . As per article 1(2) of the Act, the Government of the Peoples Republic of Bangladesh has made this Act effective from April 30, 2002 AD (Baishakh 17, 1409 Bangla) by an Official Notification in the Gazette.

The reprint of the Gazette notification of this Act is enclosed herewith.

03. As per provisions of the above Act, instructions will be issued later on from time to time. Meanwhile, please

- (Ka) ensure compliance of the said Act,
- (Kha) inform all concerned about the Act and
- (Ga) acknowledge receipt of this circular.

Yours Sincerely

Sd/-

**(Md.Ebtadul Islam)
Deputy General Manager
Telephone: 7120375**

(This following is an unofficial English version of the Act and in case of a difference in meaning between the two original Bangla version will prevail)

Money Laundering Prevention Act, 2002

(Act No.7 of 2002)

Whereas it is just and necessary to prepare rules with a view to preventing money laundering, Therefore, it is enacted as under :

First Chapter

Introduction

1. **Short Title and Introduction.**-(1) This Act will be called as 'Money Laundering Protirodh (Prevention) Ain (Act), 2002
(2) This Act will be in force on the date to be fixed through Government Gazette;
2. **Definition.**- If nothing is contrary to the subject and reference, in this Act-
 - (Ka) "Illegal means" will mean any means which is not recognized by any Act, Rules or Regulations;
 - (Kha) "Crime" means any crime under this Act,
 - (Ga) "Court" means Money Laundering Court";
 - (Gha) "Financial Institution" means financial institution defined under Section 2 (Kha) of Financial Institution Act,1993 (Act No.-27of 1993);
 - (Umah) "Code of Civil Procedure" means Code of Civil Procedure,1980 (Act V of 1908);
 - (Cha) "Court of Session" means Court of Session mentioned in Section 6 of Code of Criminal Procedure;
 - (Chaa) "Determined" means determined by rules;
 - (Ja) "Code of Criminal Procedure" means Code of Criminal Procedure, 1898 (Act V of 1898);
 - (Jha) "Rule" means rule prepared under this Act;
 - (Eionh) "Bangladesh Bank" means Bangladesh Bank established under the Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972);
 - (Ta) "Bank" means the Bank Company defined by Section 5(Na) of Bank Company Ain (Act), 1991 (Act No. 14 of 1991);
 - (Tha) "Money Laundering" means
 - (Au) Properties acquired or earned directly or indirectly through illegal means;
 - (Aa) Illegal transfer, conversion, concealment of location or assistance in the above act of the properties acquired or earned directly or indirectly through legal or illegal means;
 - (Da) "Properties" means movable or immovable properties of any nature and description;
 - (Dha) "Supreme Court" means Bangladesh Supreme Court constituted under Paragraph 94 of the Constitution of the People's Republic of Bangladesh;
 - (Na) "High Court" means the High Court Division of the Supreme Court
3. **Supremacy of the Act.**- Notwithstanding whatever may contain in any other Act in force, the provisions of this Act will remain in force.

Second Chapter

Responsibility and power of Bangladesh Bank in preventing Money Laundering

- 4 . **Responsibility of Bangladesh Bank in preventing Money Laundering.**- The responsibility of Bangladesh Bank will be to prevent and resist crime of money laundering and for resisting such criminal activities –
- (Ka) To conduct enquiry about the crime of money laundering;
 - (Kha) Observe and supervise the activities of banks, financial institutions and other financial institutions engaged in financial activities;
 - (Ga) To invite statement from the banks, financial institutions and other institutions engaged in financial activities about any matter connected with money laundering;
 - (Gha) Examination of the statement received under (Ga) above and taking of proper action accordingly;
 - (Umah) To give training to the staff/officer of the bank, financial institutions and other institutions engaged in financial activities.
 - (Cha) To perform other work in fulfillment of the objective of this Act.
- 5 . **Power of enquiry, etc.**—(1) Bangladesh Bank or any person authorized by Bangladesh Bank can enquire into the crime committed under this Act and other related issues and for such enquiry if it is required to enter in to any place the same can be done after following the required system.
- (2) In case of enquiry in to a matter the power which an Officer in Charge of a Police Station can exercise under the Code of Criminal Procedure, Bangladesh Bank or any person authorized by Bangladesh Bank will be able to exercise the same power while enquiring into the crime committed under this Act.

Third Chapter

Money Laundering Court

6. **Establishment of Money Laundering Court.** (1) In order to fulfill the objective of this Act all Courts of Sessions will be regarded as Money Laundering Court and all Session Judges will be the justice of Money Laundering Court.
- (2) Session Judge will settle all cases under this Act himself or he can send the case to any Additional Session Judge under him for settlement.
7. **Jurisdiction of the Court.** (1) The Court will be able to impose the prescribed punishment for the crime committed under this Act and in applicable cases pass other orders including order for enquiry, confinement, seizure, fine and compensation.
- (2) If the crime under other Act is associated with the crime under another Act in such a manner that in order to dispense justice it is necessary to proceed for trial for the both crimes together or cases are to be instituted together, then trial for the crime committed under this Act can be done at the same time under other Act in the same Court.
- But the condition is this that if money laundering is associated with the schedule of crimes under such Act which is imprisonable for a period of less than three years the same will not be treated as a punishment under this Act.

8. **Acceptance of the crime for trial etc.** (1) Notwithstanding what is contained in any other laws all crimes under this Act will be cognizable for trial under this Act.
- (2) All crimes under this Act will be Non-bailable.
- (3) Subject to other provisions of this Act, no accused or punishable person will be released on bail, if--
- (Ka) no opportunity is given to the complainant party on the application for releasing him on bail.
- (Kha) The Court is satisfied that there is reasonable ground to adjust him guilty on the charges brought against him; or
- (Ga) The Court is satisfied that the justice will not be hindered if he is released on bail.
9. **Application of Code of Civil and Criminal Procedure, etc.**-(1) If nothing otherwise exists in this Act, provisions of the Code of Civil and Criminal Procedures will be applicable as the case may be in case of filing of complain, enquiry, seizure, attachment of property, trial and settlement for the crimes under this Act.
- (2) Person conducting cases in the Court on behalf of the complainant will be called as Public Prosecutor.
- (3) The Court will be able to order the enquiry officer to do further enquiry on the crime of the cases under trial and in such cases the Court will be able to fix up time limit for submission of the above enquiry report.
10. **Legal seizure of property.**--On the basis of written application from Bangladesh Bank or any person authorized by Bangladesh Bank the Court will issue legal seizure of property to this effect that the property of the accused in whatever condition it may remain will be banned from sale or transfer.
11. **Freezing of the property.**-- (1) On the basis of written application of Bangladesh Bank or person authorized by Bangladesh Bank the Court will issue Freezing Order for the properties of the person who is accused under this Act.
- (2) If the Freezing Order is issued as per Sub-section (1) above
- (Ka) The Court will publish it in the form of Notification in the Bangladesh Gazette and national daily for information of general public.
- (Kha)The concerned property will in no way can be transferred or the concerned property can not be made encumbered..
- (3) In the Freezing Order under this Section, the name of the accused, designation, name of father and mother, address, profession etc should be mentioned as far as possible.
- (4) If the bank account of the accused is under Freezing Order, if nothing contrary is mentioned in the above Order, all receivables of the accused will be credited in the frozen bank account.
12. **Appeal.** Whatever different may exist in the Code of Civil and Criminal Procedures, the aggrieved party aggrieved by order, judgment , degree or punishment imposed by the Court will be able to appeal in the High Court within 30 days of the date of the above order, judgment, degree or punishment order.

Fourth Chapter

Crime and Punishment

13. **Punishment for Money Laundering----**(1) If any person is engaged in Money Laundering in any way he will be regarded as a person who has committed a crime.
(2) The concerned accused for the crime mentioned in Sub-section (1) will be sentenced to imprisonment for at least a period of six months and a maximum of seven years and will be fined for an amount not exceeding double the amount involved in the crime.
- 14 **Punishment for violation of seizure order.-** (1) If any person violates the seizure order under Section 10 he will be imprisoned for at least one year *maximum* or fined for at least Taka ten thousand *maximum* or he may be punished with both.
- 15 **Punishment for violation of the Freezing Order.-** (1) If any person violates the Freezing Order under Section 11 he will be imprisoned for at least one year *maximum* or fined for at least Taka five thousand *maximum* or he may be punished with both.
- 16 **Punishment for divulgation of information. –** (1) No person will obstruct the enquiry or divulge information relating to enquiry or relevant other information to other person with a view to casting adverse influence on the enquiry.
(2) If any person violates the provision of Sub-section (1) he will be imprisoned for at least one year *maximum* or fined for at least Taka ten thousand *maximum* or he may be punished with both.
17. **Punishment for obstruction in enquiry.-** (1) No person will express his unwillingness without any reasonable ground to assist the enquiry officer in his enquiry activities under this Act.
(2) If any person violates the provision of Sub-section (1) he will be imprisoned for at least one year *maximum* or fined for at least Taka ten thousand *maximum* or he may be punished with both

Fifth Chapter

Miscellaneous

18. **Agreement with the Foreign Country.—**(1) The government may enter in to agreement with any foreign country in order to fulfill the objective of this Act.
(2) If any agreement is entered into with a foreign country under Sub-section (1) above, the government will declare the name of such country as the 'country under agreement' in order to fulfill the objective of this Act by Notification in the Government Gazette.
- 19 **Responsibility of the banks, financial institutions and other institutions engaged in financial activities in preventing and identifying money laundering—**(1) In checking and identifying money laundering banks, financial institutions and other institutions engaged in financial activities—
(Ka) As a client of it , it should preserve the correct and full information of all of its clients and in the event of closing of transactions it should preserve records of transactions for at least five years from the date of closure;
(Kha) Will provide the records so preserved as per Sub-section (Ka) above to Bangladesh Bank from time to time on demand;
(Ga) Information regarding abnormal transactions and doubtful transactions which are likely to be related to money laundering should be informed to Bangladesh Bank.
(2) Bangladesh Bank will determine the information to be preserved as per Sub-section (1) and issue Circular or Gazette Notification from time to time.

- (3) In the event of failure of providing and preserving the information as mentioned in Sub-section (1) Bangladesh Bank will inform the licensing authority of the defaulting bank, financial institution and other institutions engaged in financial activities so that the concerned authority can take proper action for negligence and failure against the concerned bank, financial institution and other institution engaged in financial activities as per their own rule or provision.
- (4) Whatever may contain in Sub-section (3), Bangladesh Bank will be able to impose fine up to a maximum of Taka one lac and a minimum of Taka ten thousand to the defaulting bank, financial institution and other institution engaged in financial activities for failure to preserve and supply information as mentioned in Sun-section (3) and also for negligence.
20. **Crime committed by the Company etc.—**(1) If the violator of any provision of this Act is a company, it will be regarded that each proprietor, director, manager, secretary or any other officer or employee or representative of the company has violated the provision :
But the condition is this that the concerned person will not be responsible for the violation if he can prove that the above violation has been done beyond his knowledge or he has failed to check the violation despite his best effort.
Explanation :- In this section—
(Ka) “Company” will mean any company, statutory body, partnership concern, Association or institution formed with one or more than one person;
(Kha) “Director” will mean any partner or member of the Board of Director in whatever name it is called.
(2) Registration of the company which is engaged in money laundering directly or indirectly will be liable to be cancelled.
21. **Power to frame rules.—**Government by Notification in Government Gazette can frame rules in order to fulfill the objective of this Act.

Schedule

[Reference - conditions of Section 7(2)]

- (Ka) Penal Code, 1860 (XLV of 1860);
(Kha) Arms Act, 1878 (XL of 1878)
(Ga) Foreign Exchange Regulation Act, 1947 (VII of 1947);
(Gha) Anti-Corruption Act, 1957 (XXVI of 1957);
(Umah) Special Power Act, 1974 (XIV of 1974);
(Cha) Madak Drabwa Niatran Ain (Drugs Control Act), 1990 (Act No. 20 of 1990);
(Chaa) Jana Nirapatra (Bishesh Bidhan) Ain [Public Safety (Special power) Act],2000 (Act No 7 of 2000);
(Ja) Nari O Shishu Nirjatan Daman Ain (Women and Children Oppression Prevention Act), 2000 (Act No.-8 of 2000).