



National Credit and Commerce Bank Limited
Central Compliance Unit (CCU-AML)
Head Office, Dhaka.

Instruction Circular No. 530/2013

December 9, 2013

All Divisions/Departments/All Branches of
National Credit and Commerce Bank Limited

Re: "Customer Acceptance Policy" for the Bank.

Bangladesh Bank has provided managing 'Core Risk Guidelines' to all banks for the purpose of Risks Management in the different areas of Bank Business. Accordingly Anti Money Laundering Policy Guideline is prepared inconformity with the exclusive guidelines of the Bangladesh Bank. As a part of compliance to AML Guidelines we have prepared "Customer Acceptance Policy" for our Bank and that was approved by the Board of Directors in its 277th meeting, date 06.12.2013.

Now, the approved **Customer Acceptance Policy** is enclosed here with (Annexure-A) for all concerned and instructed to act in accordance with the approved policy before open & operation of any types of Customer Account.

Jagadish Chandra Debnath
SVP & Deputy CAMLCO

Akhtar Hamid Khan
Deputy Managing Director
& CAMLCO

Enclosed – Annexure-A



National Credit and Commerce Bank Limited.
Central Compliance Unit (CCU-AML)

Memo- NCCB/ CCU/ Customer Acceptance Policy /2013

Date-27-11-2013

Subj: Approval of "Customer Acceptance Policy" for the Bank

Bangladesh Bank through BRPD Circular # 17 dated October 07, 2003 provided guidelines to the financial institutions including banks to formulate policies and procedure to minimize the principal five core risks affecting the sector e.g. Credit, Foreign Exchange, Asset-Liability Management, Internal Control & Compliance and Money Laundering. The essence of the directives was to bring about much needed discipline and in the process establish risk management culture in the banking sector.

In the Guidance Notes on Prevention of Money Laundering all banks are instructed to develop their "Customer Acceptance Policy" as under:

Quote

"5.3 Customer Acceptance Policy

- 5.3.1 Financial Institutions should develop clear customer acceptance policies and procedures, including a description of the types of customer that are likely to pose a higher than average risk to a bank. In preparing such policies, factors such as customers' background, country of origin, public or high profile position, linked accounts, business activities or other risk indicators should be considered.
5.3.2 Financial Institutions should develop graduated customer acceptance policies and procedures that require more extensive due diligence for higher risk customers. For example, the policies may require the most basic account-opening requirements for a working individual with a small account balance. It is important that the customer acceptance policy is not so restrictive that it results in a denial of access by the general public to banking services, especially for people who are financially or socially disadvantaged. On the other hand, quite extensive due diligence would be essential for an individual with a high net worth whose source of funds is unclear. Decisions to enter into business relationships with higher risk customers, such as public figures or politically exposed persons should be taken exclusively at senior management level." Unquote

For the purpose of complying the directives as per Anti Money Laundering Policy in conformity with the exclusive guidelines of the Bangladesh Bank this 'Customer Acceptance Policy' is prepared.

The proposed Customer Acceptance Policy includes following essential features:

- 1. Customer Acceptance Guidelines.
2. Identification Process & Risk rating of customers
3. AML Process & awareness against certain customer.
4. Conditions & requisites for certain Customers
5. Senior Management Oversight/ Review

Management Recommendation: The proposed Customer Acceptance Policy has been perused and recommended by the Management.

The Policy is now placed for kind approval of the Board

Jagadish Ch. Debnath
SVP & Deputy CAMLCO

The Board of Directors of the Bank in its 277th meeting held on 06.12.13 approved the proposal on the terms and conditions as proposed in the memo.

SECRET 18/12/13

MANAGING DIRECTOR & CEO

Akhtar Hamid Khan
Deputy Managing Director



Customer Acceptance Policy of

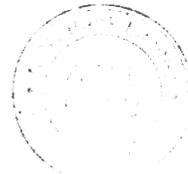
National Credit and Commerce Bank Ltd.

In accordance with the Bangladesh Bank Guidance Notes on Money Laundering Risk Management all Bank have to prepare their own 'Customer Acceptance Policy'. Customer is the main aspect for Bank Business. Bank customer is reasonably differing from any other trade customer. Banker customer relationship is contractual and mode of status depends on of nature of transactions. Increasing competition is forcing banks to pay much more attention to satisfy its customers needs. Our motto is to extend best possible services to our customers. We are also aware that sometimes customers pose the risk of Money Laundering and Financing of Terrorism to the Bank & Financial Institutions.

A good bank needs a good customer's base for its development and growth on the other hand a single unscrupulous customer can ruin the bank images. So there is a great deal of importance Policy / Guideline under which a customer will be accepted to the bank. If there any inadequacy or absence of KYC standards can result in serious customer and counterparty risks, especially reputation, operational, legal and compliance risks. Collecting sufficient information about our customers is the most effective defense against being used as the medium to launder the proceeds of crimes and to finance the terrorism through bank accounts. As per **Sec. 25 of Money Laundering Prevention Act, 2012** each bank requires to keep satisfactory evidence of the identity of those it deals with and also requires making necessary arrangement to prevent any transaction related to crimes as described in **Anti Terrorism Act, 2012**. It is also the responsibility of each bank to identify suspicious transactions of their customers with due care and diligence. Pursuant to above legal bindings, Sec. 5.3 of Guidance Notes on Prevention of Money Laundering issued by Bangladesh Bank and in connection with international standard the NCC Bank Limited has developed its Customer Acceptance Policy as under.

Customer Acceptance Policy:

- 1) No account shall be opened in anonymous or fictitious name or nickname by the Bank branches.
- 2) No Account will be opened without necessary papers which is required for that particular nature of account. In case of identification copy of National ID Card will be preferred.
- 3) No account under numeric title shall be opened.
- 4) Uniform A/C Opening Forms, Know Your Customer (KYC) Form and Transaction Profile (TP) Form prescribed by Bangladesh Bank should be properly filled up.



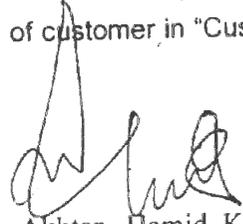
- 5) Customers' risk must be assessed as per parameters of risk perception as clearly defined in KYC Profile Form.
- 6) Documentation requirements and other information must be collected keeping in mind the instructions contained in AML Circular No. 2 dated 17.06.2002, the requirements of the MLP Act, 2012, the Anti-Terrorism Act, 2012 and other Circulars and guidelines issued by Bangladesh Bank from time to time.
- 7) The branch shall not open an account, where the bank is unable to apply appropriate Customer Due Diligence (CDD) measures i.e. the branch is unable to verify the identity and/or obtain documents required due to non-cooperation of the customer or non reliability of the data/information furnished to the branch. But the branch must be careful to avoid unnecessary harassment of the customer.
- 8) If it becomes necessary to close an existing account due to non-cooperation of the customer in providing necessary documents/information required by law/regulatory authority or non-reliability of the information/documents furnished by the customer, the branch must be vigilant in doing so. For example, decision to close an account should be taken at a reasonably high level after giving due notice to the customer explaining the reasons for such a decision.
- 9) In case of opening a Politically Exposed Person's (PEPs) account, the branch shall comply the instructions contained in AML Circular No. 14 dated 25.09.2007 issued by Bangladesh Bank. Such types of account will be classified as high risk and will be required very high level monitoring.
- 10) At the time of opening new account the branch must take care to seek only such information from the customer which is relevant and is not intrusive. It is mentioned that the customer profile is a confidential document and the details contained therein shall not be divulged for any other purposes.
- 11) Source of funds, income or wealth and complete information on the actual or beneficial owners of the accounts holding 20% or more share of the account must be obtained at the time of opening of any account.
- 12) The branch will strive not to cause inconvenience to the general public, especially those who are financially or socially disadvantaged.
- 13) The branch will conduct necessary checks before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations etc.
- 14) In case of establishing correspondent banking relationship, the branch/concerned division/department shall follow the guidelines as contained in AML Circular No. 7 dated 14.08.2005 meticulously. In no way relationship will be maintain with "Shell Bank".

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- 15) Bank will not maintain any accounting relationship with any bank of "Sanctioned Countries" Banks or organization / companies.
- 16) The branch shall verify the identity of the customer using reliable sources, documents etc. but it must retain copies of all references, documents used to verify the identity of the customer.
- 17) The branches, where locker service facilities exist, will follow the identification procedure for their customers.
- 18) No account of Importer & Exporter will be opened without valid IRC & ERC issued from CCI&E.

All employees should keep in mind that the customer identification process does not end at the point of application. Once account relationship has been established, reasonable steps should be taken by the branch from time to time to ensure that descriptive information is kept updated. Bank Official must have continuous endeavor to update all information of customer in "Customer Database".


Jagadish Ch. Debnath
SVP & Deputy CAMLCO


Akhtar Hamid Khan
Deputy Managing Director


Mohammed Nurul Amin
Managing Director & CEO

