

## THE INSTITUTE OF BANKERS, BANGLADESH (IBB)

96th Banking Professional Examination, 2023

AIBB

Subject Code :

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Financial Crime and Compliance (FCC)

Time—3 hours

Full marks—100

Pass marks—45

[N.B. The figures in the right margin indicate full marks. Answer any five questions.]

- |  | Marks   |
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| 1. (a) What is financial crime? What type of financial crimes are observed in Bangladesh financial sector?   | 2+3=5   |
| (b) "All money laundering cases are financial crime but all financial crime are not money laundering"—please discuss with some examples.   | 7       |
| (c) Discuss the stages of money laundering. Is it essential to follow all stages to complete money laundering offences? If not please describe with example.   | 2+2+4=8 |
| 2. (a) What is targeted financial sanction (TFS)? What are the TFS regime that bank has to comply?   | 2+2=4   |
| (b) While examining shipping document by a negotiating bank it identified that the Bill of lading was issued by a UN sanctional shipping line. What course of action bank should take in this situation? | 4       |
| (c) What are the similarities and differences between UN sanction regime and unilateral sanction regime like Office of Foreign Asset Control (OFAC) in respect of Bangladeshi Bank?                      | 7       |
| (d) Describe the implication of violation of UN sanction and OFAC sanction.  | 5       |
| 3. (a) How many Reporting Organizations (ROs) are there to report suspicious transaction to Bangladesh Financial Intelligence Unit (BFIU). Write the name of ROs.  | 4       |
| (b) What are the responsibilities of ROs mentioned in section 25 of Money Laundering Prevention Act (MLPA), 2012?  | 4       |
| (c) Which non-compliant issues of ROs are punishable under MLPA, 2012?   | 6       |
| (d) Describe the suspicious transaction on activity reporting procedure of a bank.   | 6       |

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|     |  | Marks           |
|-----|--|-----------------|
| 4.  | (a) Present the 'Risk Management Framework' of a bank mentioned in the Risk Assessment Guideline for Banks.  | 6               |
|     | (b) How a bank can identify the main money laundering (ML) and terrorist financing (TF) risk of its customers and products?                                | 8               |
|     | (c) Describe the calculation of risk score by bank.  | 6               |
| 5.  | (a) What is trade based money laundering (TBML)? Describe the common techniques of TBML.   | 6               |
|     | (b) What is 'Shell Bank'? How Shell Bank facilitate TBML? What measures should take to identify Shell Bank?  | 2+2+4=8         |
|     | (c) Mention some common indicators to identify TBML.   | 6               |
| 6.  | (a) What essential elements should be in a 'Customer Acceptance Policy' of a bank?   | 2               |
|     | (b) What is Enhanced Due Diligence (EDD)? When bank has to follow EDD and Simplified Customer Due Diligence?   | 3+4=7           |
|     | (c) What kind of cash transactions are exempted from 'Cash Transaction Reporting (CTR) requirement? Describe the procedure of CTR.                         | 2+4=6           |
|     | (d) How STR can identify from cash transaction Reporting?  | 5               |
| 7.  | (a) Define virtual asset (VA) and virtual asset service providers (VASPs) in line with FATF recommendation.  | 2+2=4           |
|     | (b) How VA and VASPs create ML & TF risk for banks and its customers?  | 3+3=6           |
|     | (c) 'Digital transformation of financial system can reduce ML & TF risk as well as it can create addition ML & TF risk' describe with some examples.       | 10              |
| 8.  | (a) Describe the common fraud and forgeries in credit operation. How these can lead to ML offence?   | 5+5=10          |
|     | (b) How shell companies could facilitate ML and TF?  | 5               |
|     | (c) Discuss the irregularities that had been committed by the e-commerce entities in the recent year.  | 5               |
| 9.  | (a) Mention the essential components of an effective anti money laundering and combating financing of terrorism (AML & CFT) compliance program of a bank.  | 5               |
|     | (b) Describe the role of Senior Management and Chief Anti Money Laundering Compliance Officer (CAMLCO) in preventing ML & TF.                              | 3+4=7           |
|     | (c) What are the roles of Internal Control and Compliance (ICC) Department of a bank? Why ICC should be independent from Anti-Money laundering department? | 4+4=8           |
| 10. | Write short note on any <b>four</b> of the following topic :   | Marks<br>5×4=20 |
|     | (a) Financial Action Task Force (FATF)   |                 |
|     | (b) Politically Exposed Person (PEP) and Influential Person (IP)   |                 |
|     | (c) Beneficial Ownership (BO)  |                 |
|     | (d) Egmont Group of FIUs   |                 |
|     | (e) Investigating Authorities of ML Cases  |                 |
|     | (f) Combating Financing of Terrorism (CFT).  |                 |