



Report On

**Enhancing Work Effectiveness and Stability Through
AML/CFT Compliance and Training Regime in bKash Limited**

By

Nujhat Tabassum
14104035

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

BRAC Business School
BRAC University
April, 2019

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Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

Nujhat Tabassum
14104035

Supervisor's Full Name & Signature:

Mr. Syed Mahfujul Alam
Lecturer, BRAC Business School
BRAC University

Letter of Transmittal

Mr. Syed Mahfujul Alam
Lecturer
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report on ‘enhancing effectiveness and stability through AML/CFT compliance and training regime, bKash Limited’

Dear Sir,

This is my pleasure to display my internship report entitled as ‘enhancing effectiveness and stability through AML/CFT compliance and training regime, bKash Limited’, which I was appointed by your direction.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

Nujhat Tabassum
14104035
BRAC Business School
BRAC University
Date: April 28th, 2019

Non-Disclosure Agreement

This agreement is made and entered into by and between bKash Limited and the undersigned student at BRAC University, Nujhat Tabassum

Acknowledgement

This internship report is the accomplishment of final requirement in obtaining a Bachelor of Business Administration from BRAC University. For this report, maximum hard work and dedication has been put from my end, but I could not have done it without the help of people beside me. Firstly, I would like to thank my internship report supervisor Mr. Syed Mahfujul Alam for the constant support and guidance. Thank you for constantly providing clear instructions, quick feedbacks and encouragement to bring the best out of me. I would like to thank my superiors and peers at bKash Limited, in particularly Mr. Saber Sharif (Retired, Bangladesh Navy), Head of Department (HOD) and my supervisor Mr. Shahrear Ahamed, Assistant Manager of CPMCT, External and Corporate Affairs Division. Without their supervision and motivation, I could not have hands-on experience on working with CPMCT team. Heartfelt thanks to Mr. Sajib Das, Assistant Manager of Strategic Compliance for being a source of support, advice and encouragement.

Also, I would like to thank all the respondents for putting in the time and effort to complete the questionnaire. Without their willingness and contribution, it would have been really hard and challenging to get the required input.

Nujhat Tabassum

Dhaka, 2019

Executive Summary

bKash is a mobile financial company which gives poor people easy access to use financial services to improve their life. However, this mobile financial transaction poses money laundering and terrorist financing risk as it includes millions of people all over the country to transacting in the untraceable world of cash, which can be manipulated by fraud and criminals. Thus bKash AML/CFT department makes sure regulations and standards are followed thoroughly which is set by Bangladesh Financial Intelligence Unit (BFIU). The purpose of this report was to show how effectiveness of AML/CFT regime can positively affect the entire company and make the whole infrastructure fall in a systematic and standardized process. 40 respondents were picked and the respondents are all officers from the External and Corporate Affairs division since they are involved with and exposed AML/CFT compliance the most. From the collected data, it could be observed that responses to all the questions were fairly positive. However, looking closely it can be seen that in response to whether the employees think that the existing legal and administrative framework in Bangladesh is highly adequate to establish a strong and effective AML/CFT system for financial institution to adhere to.

Keywords: Effectiveness, Compliance, Training, AML/CFT, Technological development

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List of Acronyms

Symbol	Description
AML/CFT	Anti-Money Laundering and Combating Financing of Terrorism
FATF	Financial Action Task Force
BB	Bangladesh Bank
BFIU	Bangladesh Financial Intelligence Unit
CDD	Customer Due Diligence
KYC	Know Your Customer

Body of the Report

Organizational Overview

Mobile Financial Services (MFS) is an approach to offering financial services that combines banking with mobile wireless networks which enables users to execute banking transactions. This means the ability to make deposits, withdraw, and to send or receive funds from a mobile account. Often these services are enabled by using bank agents that allow mobile account holders to transact at independent agent locations outside of bank branches. In a country like Bangladesh where people do not have sufficient documentations or resources to open a bank account, bKash mobile financing service has created a remarkable difference to financial inclusion. More than 70% of people of our country live in rural areas not having access to formal financial services. The astonishing fact is, these 70% of the population are in most need of such services, either to get money from far off areas or to get monetary tools to improve their financial condition. Nonetheless, from a statistics it has been appeared about over 68% of our population have cell phones that are utilized for talking as well as different important tasks. Therefore bKash appears, a fast start for versatile money related transactions which is the nation's first ever mobile financing service provider propelled in mid- 2011. The first investor is Money in Motion LLC, a US based company formed by Iqbal and Kamal Quadir, brothers who had an interest in mobile technology driven innovation. BRAC Bank launched 51% owned subsidiary, bKash combined with Money in Motion by Bangladesh bank to jointly operate MFS in Bangladesh. In April 2013, International Finance Corporation (IFC), a member of the World Bank Group, became an equity partner and in April 2014, Bill & Melinda Gates Foundation became the investor of the company (www.bkash.com/about/company-profile). In 2017, bKash Limited, the largest mobile financial service provider in Bangladesh was ranked 23rd on Fortune's third annual 'Change

the World' list which recognizes top fifty companies that are changing the world through solving a multitude of societal problems.

It is the world's second biggest endeavor which has made excellent progress in only 7 years of its activity. It is as of now serving more than 24 million Bangladeshis, and there are thundering of a worldwide extension. However, as large as bKash seems to be, it is just a little piece of a rising wave of advancement: FinTech, an industry that utilizes new innovation with accessible assets so as to contend with conventional financial foundations and intermediaries in the conveyance of money related services.

Currently bKash is the largest MFS in Bangladesh with a network of over 200000 agents scattered through the urban and rural areas of Bangladesh touching the unbanked communities with over 35 million registered accounts and growing business with more than 25,000 Merchants.

Mission

By giving financial services that are advantageous, reasonable and reliable, bKash intends to broaden the net of money related incorporation. bKash wants to give an answer to Mobile Financial Services enabling the general population of Bangladesh to securely send and get cash by means of cell phones with high standard mobile money platform.

Vision

The target of bKash is to guarantee access to a more extensive scope of financial services for the general population of Bangladesh. It has an extraordinary concentration to serve the low salary masses of the nation to accomplish more extensive financial inclusion by giving facilities that are convenient, affordable and reliable.

Services provided by bKash: By providing various banking services such as cash in/out, buying airtime, making payments, sending money and remittances through mobile networks bKash has already reached to almost every district of Bangladesh and has provided affordable banking services to people who could not afford banking services and is contributing a large portion to the country's growing economy. Therefore, following are the services bKash is providing-

- Cash In
- Cash Out
- Mobile Recharge
- Bulk Disbursement (Send Money)
- Foreign remittance straight to wallet
- Bank Transfer
- Interest on Savings
- Collection Services
- Merchant Payments

There are more rooms for improvement in digital payment system which bKash can provide with technological advancement and innovations both for merchants and customers.

Functional Division of bKash: From the previous history of bKash we know bKash begins its voyage with 12 individuals. Presently there are distinctive divisions and under these divisions there are diverse departments. There are also different teams under the different departments. Each division has a CXO and there is a departmental head (HOD) for the departments. From that point onward, there are general manager, manager, assistant manager, senior officer and officer.

My role during internship

I was appointed as an intern for the AML/CFT (Anti Money Laundering/Combating the Financing of Terrorism) department which falls under ECAD (External and Corporate Affairs Division). The team I worked with under AML/CFT was CPMCT (Compliance Process Monitoring and Control Team)

The External and Corporate Affairs Division (ECAD)

One of the largest divisions of bKash, ECAD is in charge of mitigating risk related with bKash and its tasks. Bangladesh Bank's obligatory requirement is assessing Money Laundering and Terrorist Financing dangers presented to Mobile Financial Service providers. ECAD began its capacity on the key need to organize and orchestrate bKash interests essentially with administrative bodies concentrating especially on Bangladesh Bank. One of its main objectives is to prompt the administration on other regulatory issues identifying with bKash functions, policies and services. There are four departments under this division:

- Administration
- EA (External Affair)
- AML/CFT (Anti-Money Laundering/Combating the Financing of Terrorism)
- R & CA (Regulatory & Corporate Affairs)

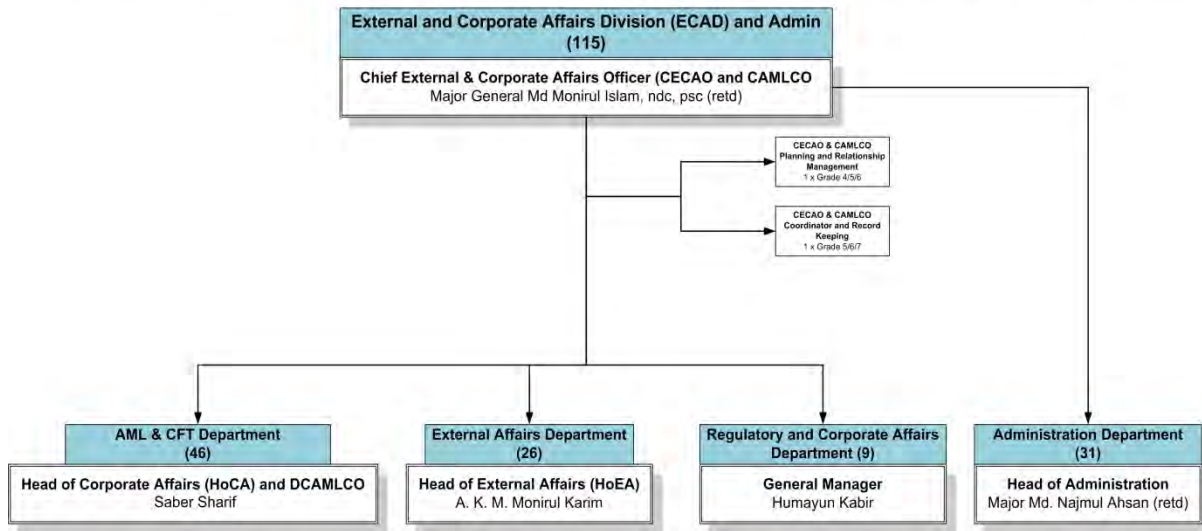


Figure 1: Organogram of ECAD. Adopted from bKash Limited

AML/CFT Department

As we can see from the organogram figure above, it falls under ECAD division. Captain (Retired) Saber Sharif (Bangladesh Navy) is the head of this department and the DCAMLCO (Deputy Chief Anti Money Laundering Corporate Officer). There are 8 teams in this department inter-connected with one another who directly work with Captain Saber Sharif.

The teams are:

1. CPMCT (Compliance Process Monitoring & Control Team)
2. SC (Strategic Compliance)
3. STR/SAR (Suspicious Transaction Recording/ Suspicious Activity Recording)
4. D&R (Documents & Record)
5. RMCT (Risk Monitoring & Control Team)
6. FCAT (Field Compliance Assessment Team)
7. Training Team
8. RAMLCO (Regional Anti Money Laundering Compliance Officer)

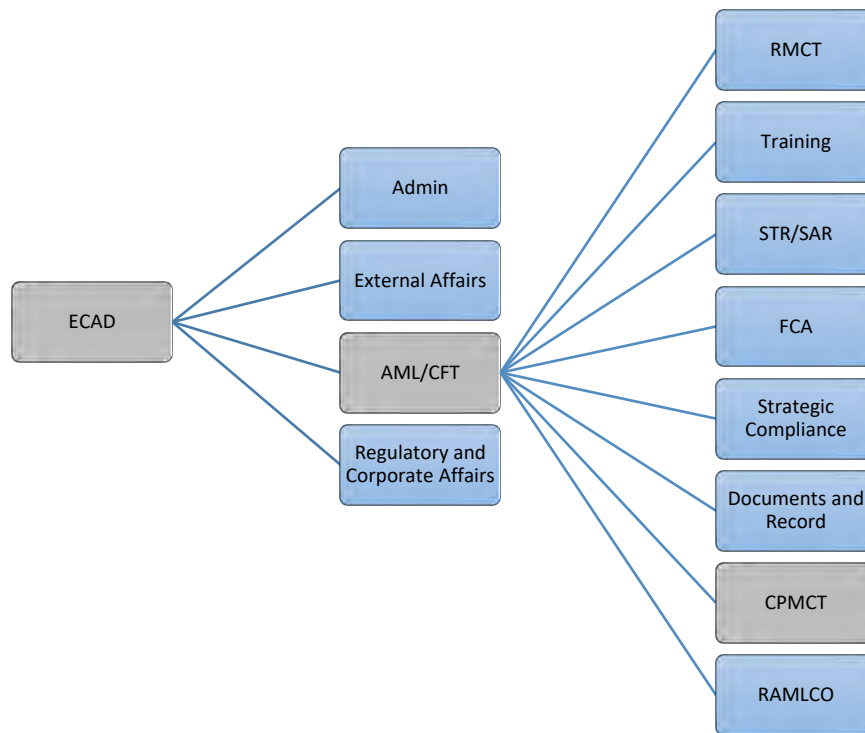


Figure 2: Breakdown of AMLCFT. Prepared by the Author

CPMCT (Compliance Process Monitoring & Control Team)

The team is led by an assistant manager (supervisor); four officers and three interns work along with the supervisor. The Supervisor and General Manager gets feedback from the team and reports to the HOD. The main task of the team is to improve KYC errors, CDD and making control reports. After two layers of QC (quality check) from distribution house (DH) and customer service (CS), the team makes a sample from there and gives a third round of QC. They recheck, give observations, minimize errors, give feedback to CS and make control reports. In the process the team controls the overall compliance measurements and monitors if everyone is actually following the regulations set by BFIU.

Introduction to the Report

Background of the Report: bKash is a mobile financial company which gives poor people easy access to use financial services to improve their life. Transactions through bKash are getting popular as a vast number of online shops, super shops, hotel/resorts and different other merchants are using this service in their businesses. However this mobile financial transaction pose a money laundering and terrorist financing risk as it includes millions of people all over the country to transacting in the untraceable world of cash, which can be manipulated by fraud and criminals. Thus bKash AML/CFT department makes sure regulations and standards are followed thoroughly which is set by Bangladesh Financial Intelligence Unit (BFIU). Bangladesh Bank plays a huge role in shaping the regulations of bKash's operations. bKash AML/CFT department follows compliances and amendments so that no fraudulent activities can take place using the services provided by bKash.

In this report, it will be shown if the compliance and training regime undertaken by bKash AML/CFT are effective enough and how it is reflecting on the company.

Rationale to the study

AML training regime plays a significant role because efficient training program results in employees accomplishing the dimensions of knowledge, skills, capabilities and capacities to complete their work effectively (Asfaw, A.M., Argaw, M.D. and Bayissa, L. ,2015). Based on the organizational structure and functionality, it has been observed that AML/CFT department has huge functions and total 8 teams are working under this department to make the overall process effective. The stability and reputation of the company greatly depends on the effectiveness of his department. They go through lots of challenges every single day and come up with innovations to lessen the problem. However, it is a concern if all this immense workload of AML/CFT compliance practices is actually worth it; whether it actually is enhancing the efficiency and bringing possible outcomes which lead to a strong and stable mobile financing institution. And so, the purpose of this report is to show how effectiveness of AML/CFT compliance and training regime can positively affect the entire Company and make the whole infrastructure follow in a systematic and standardized process.

Problem Statement

The inadvertent utilization of the financial services money laundering exercises is a significant challenge confronting the financial service industry. Accordingly, regulatory bodies have acquired anti- money laundering (AML) guidelines with identify and avert such exercises. Agreeing to these guidelines requires banks and monetary establishments to execute a powerful consistence framework, alongside proper instruments. This expects organizations to assemble a viable business case for the correct consistent framework outfitted with imperative capacities and latest technology tools.

Getting skilled resources with detailed knowledge of AML can be a test. Other issues include high on-boarding timelines and costs, and attrition. Organizations likewise need to put significant time and exertion in keeping work force side by side with changing administrative necessities.

AML compliance expects banks and other financial institutions to set up a variety of procedures and technological innovations that will unite KYC information and frameworks in a solitary archive. They likewise need to make framework for cross-channel discovery of suspicious activities, improve information quality, and institutionalize information to empower brought together examination of extortion and budgetary violations. The hazard level is appointed within on-boarding changes in accordance with the exchanges attempted by the client. This implies that financial institutions need to evaluate the dangers associated with every client, and change hazard levels accordingly, to counteract false positives. This requires persistent observation for every client, which is huge undertaking.

This research aims to explore the degree to which bKash Limited effectively overcomes these challenges to maintain and enhance the stability of the organization and in turn suggest further measures to ensure that compliance to AML regulations is less challenging.

Scope and limitation of the study

AML/CFT regulations compliance and training extends to not just officers of bKash but also agents, distributors and merchants of the company. However, the paper only investigates the effectiveness on personnel level i.e. effectiveness on employees and the company. KYC QC is done on three levels within the organization after an account is opened. All the KYCs that first two levels of departmental officials accept and deem to be in order are sent to Compliance Process Monitoring and Control Team (CPMCT) of the AML/CFT department, known as the ‘controllers’, for a sample QC. For a more comprehensive understanding of the effectiveness of compliance in bKash, survey on agents, distributors and merchants would have been favorable. However, due to the volume and variety of such individuals (given the geographical locations as well as financial background), it is a challenge to segregate the sample size, in order to give a clear picture. This would require time and resources which was a limitation for the researcher. Also, sample size of 50 is too small for such research but time and resource constraints made me stick to that sample size.

Aim and Objectives

- **Aim**
- **Objectives**

To achieve the fundamental aim, the following objectives will be achieved:

- To evaluate effectiveness of different AML/CFT factors
- To analyze work efficiency, stability as an outcome of compliance and training
- To identify the importance of AML/CFT training on agent, merchant, distribution house and employees
- To investigate the relationship between work effectiveness and AML/CFT compliance

Organisation of the report:

The report is structured into seven sections. Following table describes how the sections are divided:

Section 1	Introduces the report and gives an overview of bKash Limited
Section 2	Talks about journal references where previous researchers said about the key terms of this report i.e. compliance, training, effectiveness and stability
Section 3	describes the methods used in data collection, sources of data, number and type of respondents, use of questionnaire etc
Section 4	analysis and interpretations are made using graphs, charts on the basis of data and information collected
Section 5	shows the significant findings of the study
Section 6	Some suggestions/ recommendations are provided based on the findings
Section 7	concludes the report

Table 1: Organisation of the report

Literature Review

Customer due diligence (CDD) and monitoring of their transactions: Compliance with CDD (customer due diligence) policy is a mandatory requirement where customer's identification and verification is done. It is an investigation where clear, correct and relevant information about the customer is collected and evaluated for any potential risk for the organization or money laundering/terrorist financing activities. Account holders must be distinguished and their identity checked utilizing dependable, free source reports, information, or data. To open a bKash account, one must provide NID /Passport/ Driving license copy and fill up all the information asked in bKash KYC (know your customer) form (registration form). bKash identify and verify their clients using the documents and ECDB (Electronic Component Database) to check if the involved parties are real or not.

Regulations and BFIU (Bangladesh Financial Intelligence Unit) guidelines: Bangladesh Bank plays a huge role in shaping the regulations of bKash's operations. BFIU has published "AML/CFT regulations for Mobile Money: Policy Option for Bangladesh" that has guidelines and recommendations to promote and effective and sustainable supervisory regime for MFS. bKash AML/CFT department makes sure regulations and standards are followed thoroughly which is set by Bangladesh Financial Intelligence Unit (BFIU). It is mandatory to follow compliances and amendments so that no fraudulent activities can take place using the services provided by bKash. bKash maintains the requirements of Bangladesh Bank and most importantly does Customer Due Diligence (CDD) or Know Your Customer (KYC) for background check to ensure the customers are properly risk assessed before being on boarded also provides training sessions to stakeholders to have the required knowledge.

Sufficient resourcing for the AML framework: KYC compliances are part of the control work, it is fundamental that appropriate assessment and monitoring frameworks are set up to control any conceivable maltreatment because of inadequate compliance. A powerful and effective compliance procedure brings about proper management, oversight, systems, controls, segregation of duties, training and other related policies. A study discovered that financial institutions emphasis on risk management as not doing so can be danger of trailing notoriety because of rebelliousness with the KYC enactment, non-collaboration with the controller, having ineffective inner control tenets and dissimilarity from support in the KYC regime. KYC Specialized expertise is required to create, apply and direct appropriate and consistent compliance programs. This conveys to the front line to the significance of the work force capabilities and training. Philippsohn (2001) and Vargas & Backhouse (2003) stated that legislation and regulation implemented to fighting money laundering activities needs to deal with the use of new technology. Because a sound monetary framework to screen and control transactional exercises intensified with solid enemy of illegal money laundering routines are indispensable to money laundering activities. (*Arasa. R, Ottichilo. L, 2015*)

AML training for employee competency: Training is a learning movement coordinated towards the securing of explicit knowledge and skills with the end goal of an occupation or task. The focus of training is the job or task for example, the need to have efficiency and safety in the operation of AML/CFT factors, or the need for an effective compliance. A formal training program is an exertion by the employers to give chances to the employees to secure occupation related attitudes, skills and knowledge. This implies for any organization to prevail with regards to accomplishing the goals of its training program, the structure and execution must be arranged in systematic way, customized towards enhancing performance and productivity. (*Asfaw, A.M., Argaw, M.D. and Bayissa, L. ,2015*).

In bKash, every official body from ECAD receives training on personal KYC guidelines, Agent KYC guidelines, compliances and other factors related to it. Also AML/CFT seminars and workshops take place very often. Recently, bKash and Bangladesh Bank’s BFIU jointly organized a day-long workshop on technological innovations and its impact on anti-money laundering (AML) and combating finance of terrorism (CFT) for senior officials to sensitize them on the issue (2nd March, 2019).

“by using state of the art technology, we will be able to minimize money laundering and terrorist financing risks more precisely”- Kamal Quadir, CEO of bKash stated in the workshop.

Theoretical Framework:

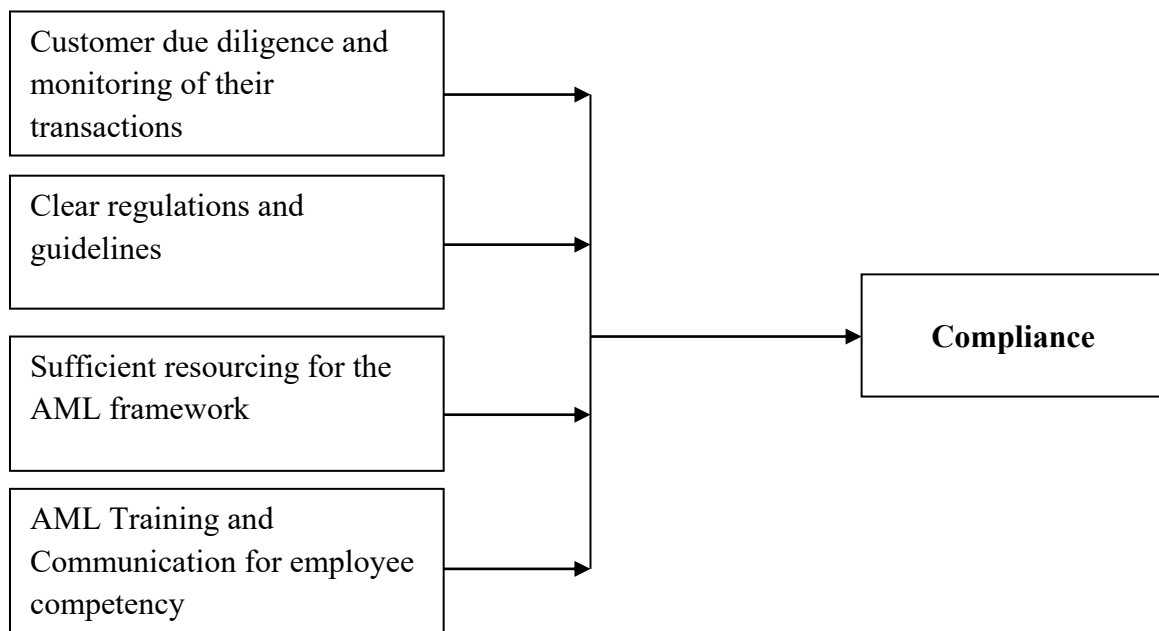


Figure 3: Factors important for compliance. Prepared by the Author

In order to ensure proper AML/CFT compliance within a financial institution, enough relevant customer information must be acquired. Hence, Customer Due Diligence (investigation whereby the customer's information is assessed to be **correct** and **complete**) is a mandatory requirement for compliance of AML/CFT guidelines. CDD acts as a shield for the organization in any event Customer Due Diligence and Monitoring of Their Transactions that might tie the company to fraud or money laundering issues. Alongside CDD, it is vital that the AML/CFT guidelines and regulations are clearly defined in order to prevent any loopholes in compliance. Compliance officers and relevant personnel must be provided with sufficient resources (tech support, work environment, office supplies such as scanner, printer etc., and soon) in order to be able to devise a functional framework for ensuring adherence to AML/CFT regulations and lastly, appropriate training must be given to the relevant personnel on AML/CFT regulations and communication must be ensured within inter office compliance teams and also relevant authorities.

This report aims to analyze which of these factors affects work effectiveness in bKash Ltd, more significantly than the rest and also to investigate whether bKash Ltd. falls behind on AML/CFT compliance due to any of these factors.

Methodology of the study

Method of the report

The research followed a non-experimental descriptive cross-sectional design. A cross-sectional study involves looking at people who differ on one key characteristic at one specific point in time. The data is collected at the same time from people who are similar in other characteristics but different in a key factor of interest such as age, income levels, or geographic location. Quantitative approach has been used for data collection.

Respondents and Sampling Procedure

40 respondents were picked for this research. The respondents are all employees from the External and Corporate Affairs division since they are involved with and exposed AML/CFT compliance the most. The sampling technique used was convenience sampling.

Survey Instrument/ Questionnaire

The survey questionnaire was a 4 part one with 15 close-ended questions. The scales that have been used to make the questionnaire are:

- Ordinal scale
- Likert scale

Collection of Data:

Data has been collected primarily through survey. Secondary data has been collected from:

- KYC & QC guideline documents
- Selected journals
- AML/CFT Regulations for Mobile Money by BFIU

Statistical Treatment of Data

Microsoft Excel has been used for measurement and analysis to show the information through diagrams/charts.

Analysis and Interpretation of the Data

The existing legal and administrative framework in Bangladesh is highly adequate to establish a strong and effective AML/CFT system for financial institution to adhere to:

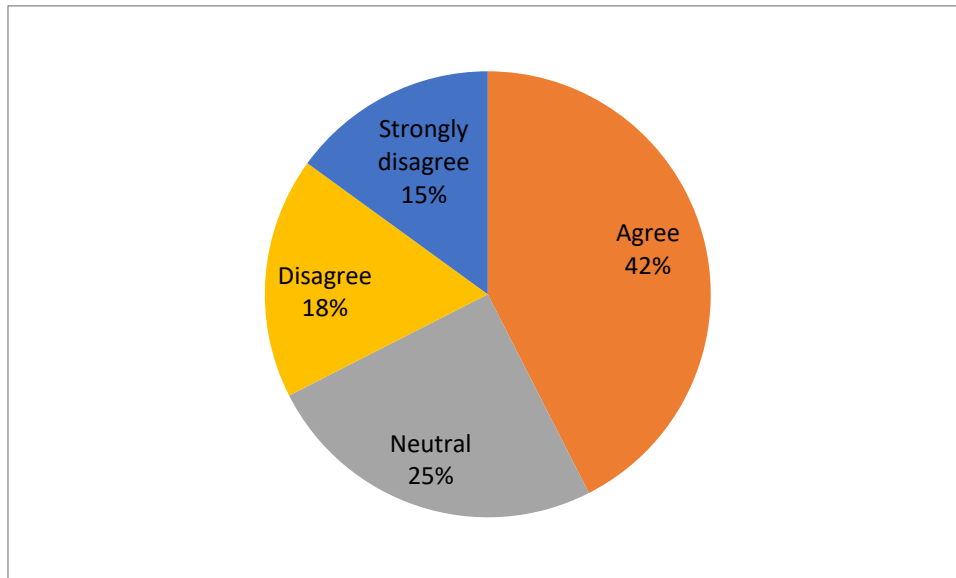


Chart: 1

The authorities involved in combating money laundering and terrorist financing are provided with adequate financial, human and technical resources:

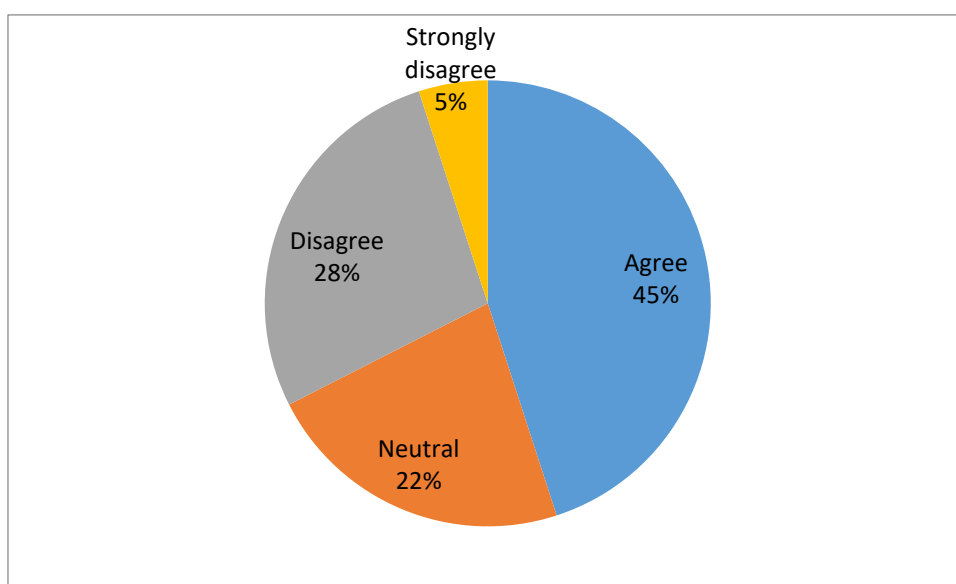


Chart: 2

The internal policy development in bKash Ltd. is highly effective in terms of acting as a preventive measure against money laundering and terrorist financing:

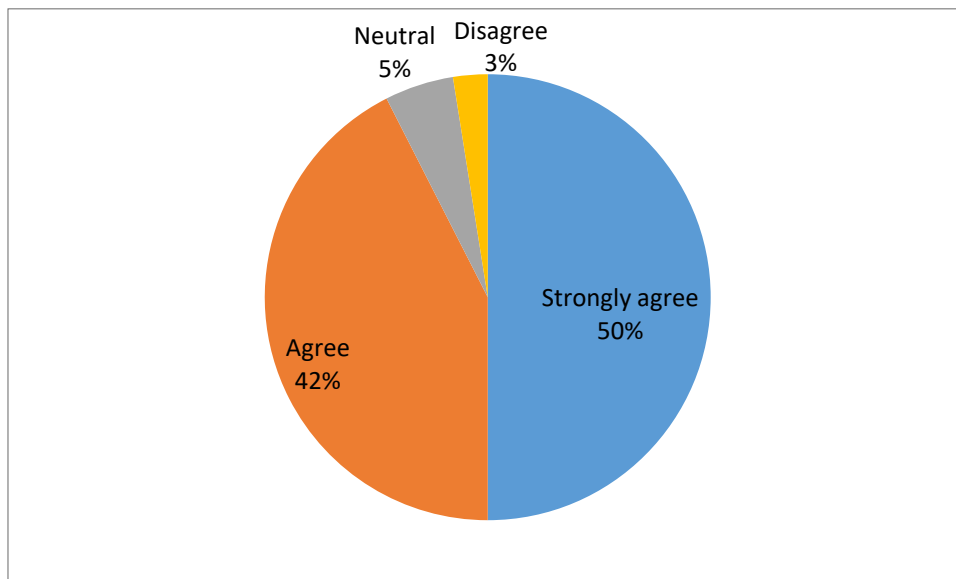


Chart: 3

The procedures and controls undertaken by bKash Ltd. has significantly reduced money laundering and terrorist financing activities encountered by the organization:

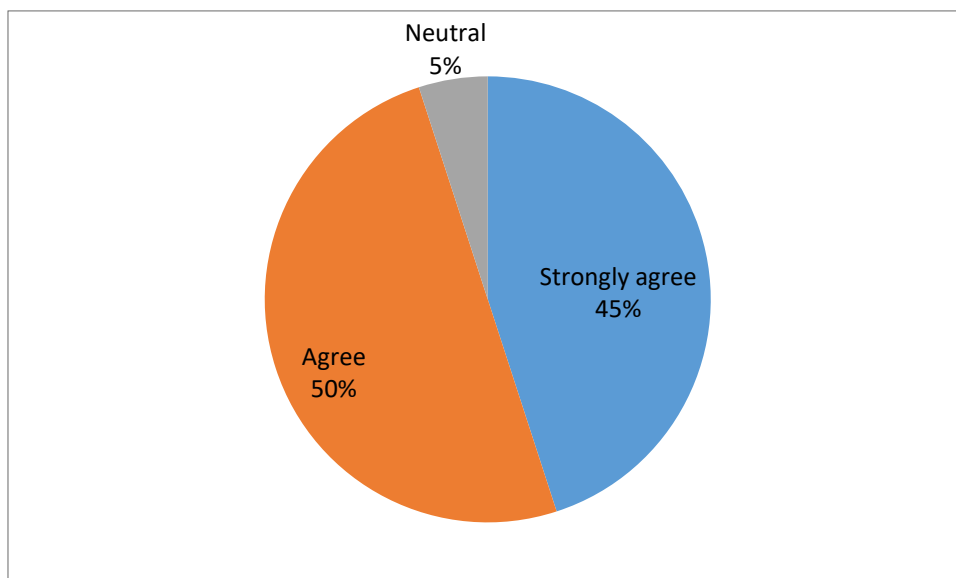


Chart: 4

bKash Ltd. ensures adequate screening procedures to ensure high standards when hiring employees in AML/CFT department:

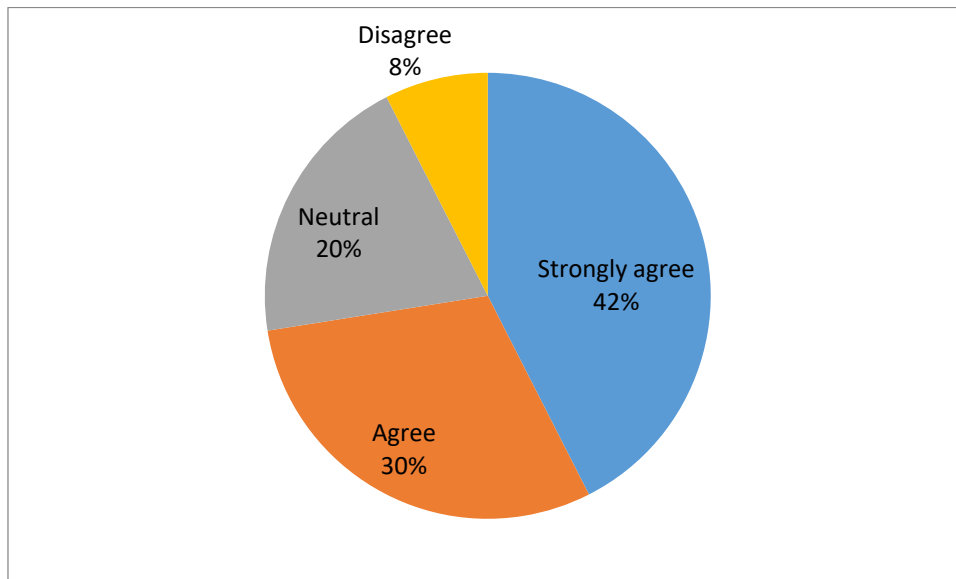


Chart: 5

The compliance management framework in bKash Ltd is structured enough to provide required information to relevant authorities without hampering work efficiency:

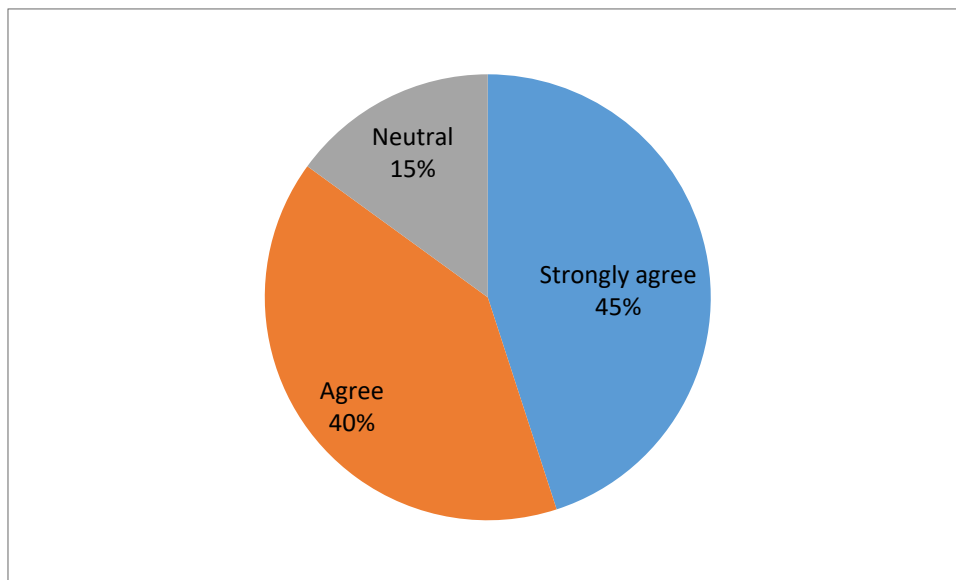


Chart: 6

The AML/CFT training increases your motivation to the job you do:

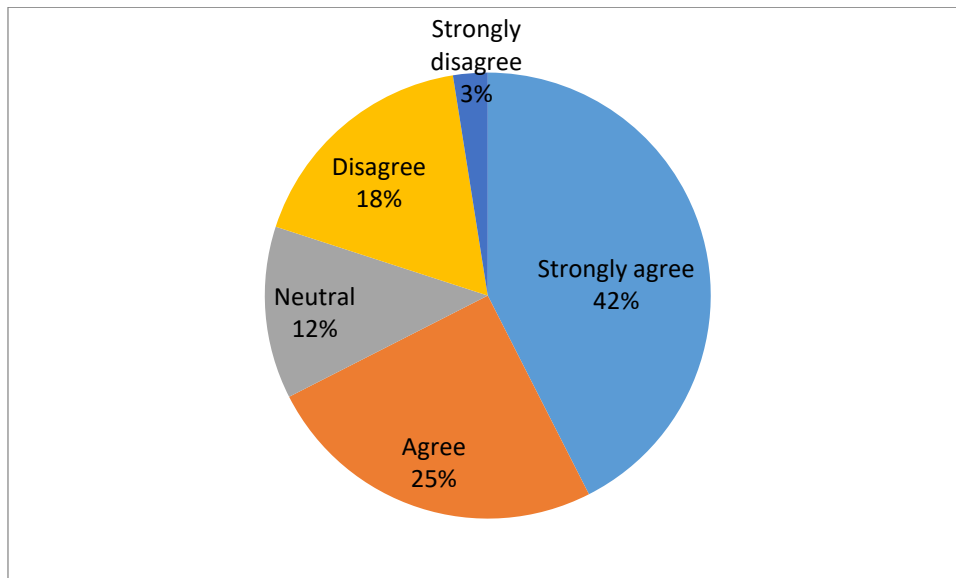


Chart: 7

The AML/CFT training improves your skills, knowledge, attitude change, new capabilities:

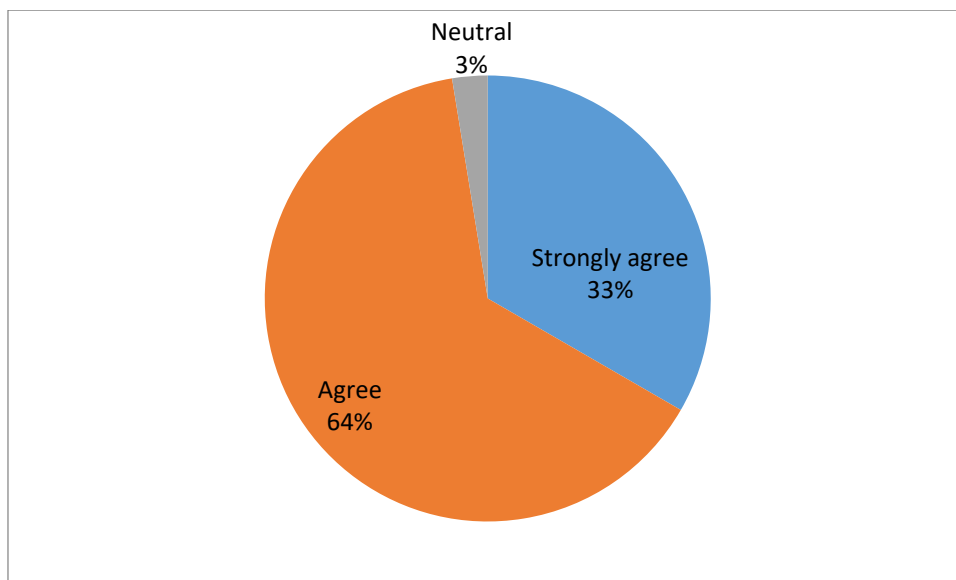


Chart: 8

Work assignments are reviewed for feedback on results:

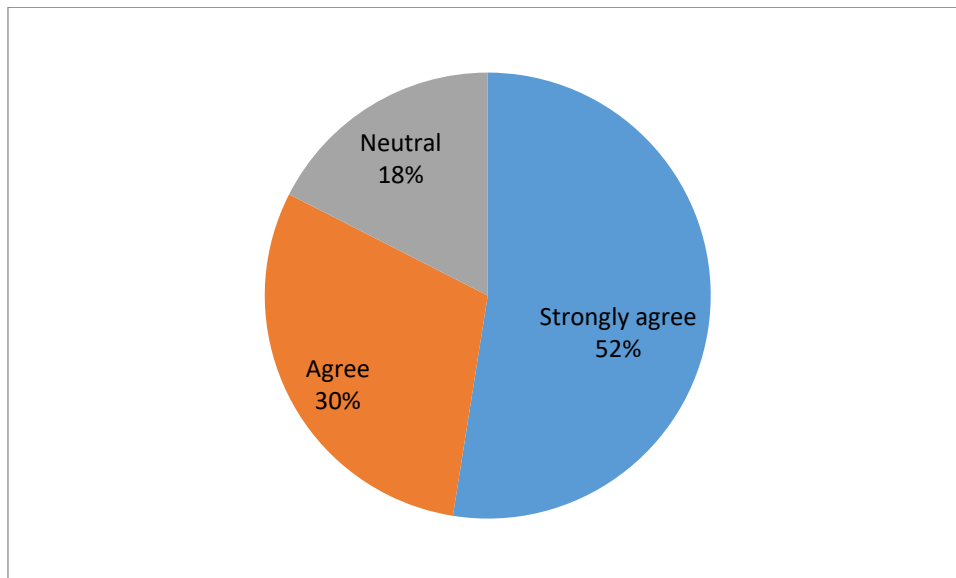


Chart: 9

The meetings regarding compliance to guidelines and policy are action-oriented and useful:

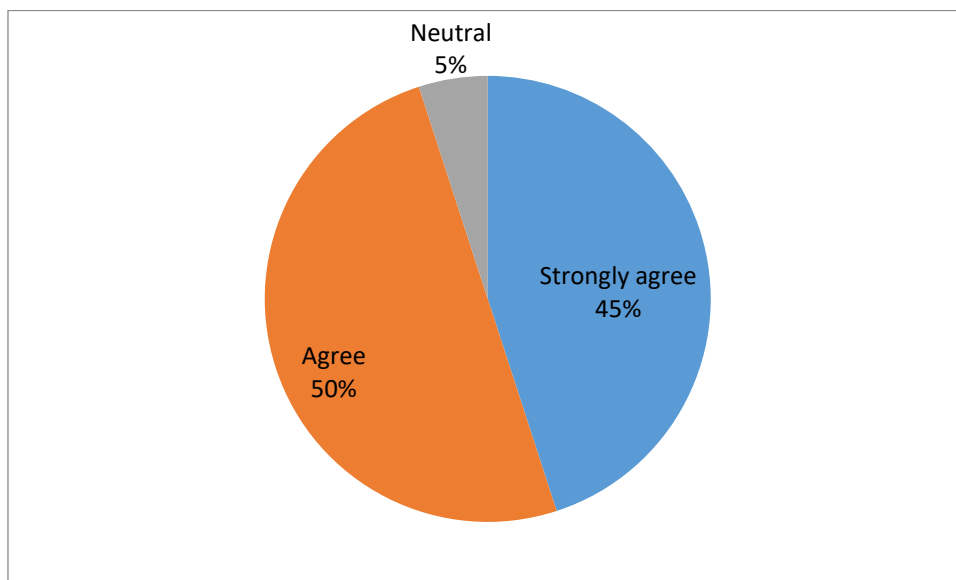


Chart: 10

Findings and Discussion

Findings

Out of the 40 respondents who were surveyed, 9 of them were in managerial level, 9 of them were senior officers and the rest were officers. Microsoft Excel was used to derive the pie charts of response to each of the selected 10 questions.

The majority (42.5% of all surveyed employees) **agree** that the existing legal and administrative framework in Bangladesh is highly adequate to establish a strong and effective AML/CFT system for financial institution to adhere to, which means 17 out of 40 respondents. (Source: Chart 1)

45% of the respondents (18 out of 40) **agree** that the authorities involved in combating money laundering and terrorist financing are provided with adequate financial, human and technical resources. (Source: Chart 2)

In response to questions about bKash Ltd., 50% of the respondents **strongly agreed** that the internal policy development in bKash Ltd. is highly effective in terms of acting as a preventive measure against money laundering and terrorist financing. 42.5% agreed that that was the case which makes a combined total of 92.5% employees (37 out of 40) who are on board with the internal policy development in bKash Ltd. (Source: Chart 3)

A total of 95% employees (38 out of 40) agree or strongly agree that the procedures and controls undertaken by bKash Ltd. has significantly reduced money laundering and terrorist financing activities encountered by the organization. (Source: Chart 4)

42% **strongly agree** that bKash Ltd. ensures adequate screening procedures to ensure high standards when hiring employees in AML/CFT department. (Source: Chart 5)

45 % (18 out of 40) **strongly agree** the compliance management framework in bKash Ltd is structured enough to provide required information to relevant authorities without hampering work efficiency. (Source: Chart 6)

The majority 40% (17 out of 40) **strongly agree** that the AML/CFT training increases their motivation to the job they do. (Source: Chart 7)

The majority 62.5% (25 out of 40) also **agree** that the AML/CFT training improves your skills, knowledge, attitude change, new capabilities. (Source: Chart 8)

52% **strongly agree** work assignments are reviewed for feedback on results (Source: Chart 9)

50% **agree** the meetings regarding compliance to guidelines and policies are action-oriented and useful. (Source: Chart 10)

Discussion

From the collected data, it can be observed that responses to all the questions were fairly positive. However, looking closely it can be seen that in response to whether the employees think that the existing legal and administrative framework in Bangladesh is highly adequate to establish a strong and effective AML/CFT system for financial institution to adhere to, the percentage of strongly disagree, disagree and neutral were higher than percentage of employees who agreed that the legal and administrative framework was okay. The neutral response can be interpreted as the reluctance of the employees may cause any tension between the company and the authoritative bodies it answers to. The same is the case for Question 2 which stated authorities involved in combating money laundering and terrorist financing are provided with adequate financial, human and technical resources, where the percentage for strongly disagree, disagree and neutral was higher. It can be assumed that although Bangladesh has come a long way in developing appropriate and necessary frameworks for AML/CFT compliance, the legal and administrative issues still remain the biggest hurdle for financial institutions in enhancing work effectiveness.

bKash Ltd. on the other hand is company that believes in constant improvement and many employees in the compliance division informally agreed that the AML/CFT regime has gotten impressively better over the last 2 years. As a result, all responses to questions regarding internal compliance, training and work effectiveness is fairly positive. However, if looked at closely, respondents mostly disagreed or were neutral to the AML/CFT training increasing their motivation to do their job. It can be interpreted that the purpose of the AML/CFT training is mainly to raise awareness about the issue, not particularly to increase motivation. However, many employees in the AML/CFT department are often sent away to international seminars or training sessions of AML/CFT guidelines and innovations which

benefits the company immensely. There is always room for more improvement which has been discussed in the next (Recommendations and Conclusion) chapters.

Recommendation

Considering the unfortunate idea of money laundering and terrorist financing exercises, the overall system has gotten together to fight this danger. An essential test to extending money related organizations to bring down developed countries – by means of advanced or diverse channels – is character check. For monetary establishments serving low-pay clients, required consistence with client check is particularly troublesome on the grounds that:

1. Low-salary individuals regularly need formal recognizable proof documentation

Some low-pay nations need external, openly affirmed wellsprings of data that could help recognize and check customers, for instance, voter enlistment records or credit offices.

2. National ID cards are not all inclusive and institutionalized.

To complicate matters further, authoritative bearing around customer check, particularly for things, for instance, assets or credit, remains hazy or complex in specific countries. This can make cost and consistence impediments for providers serving low-pay customers. Meanwhile, the weight on budgetary establishments to pursue stringent AML/CFT rules continues extending globally.

Data innovation is moving slower than the foundation of national ID frameworks. Introduction of cell phones and handheld POS gadgets has expanded access points in regions where this is difficult and permitted client distinguishing proof and confirmation to turn out to be not so much intricate but rather more effective. Be that as it may, the utilization and the board of this information have progressed at a much slower pace.

Estimating the expense of KYC is definitely not an essential concentration of organizations. Because of massive challenge, most associations are centered basically around scaling their business through quick client procurement. All things considered, containing costs identified with client confirmation isn't commonly a need. Most associations measure their general expense of client acquisition, without recognizing KYC costs.

Regulators keep on presenting administrative changes that can facilitate the weight of AML necessities. Such accomplishments will settle upon fruitful joint effort of banks, portable administrators, and outsider third party service providers. A CGAP research look into demonstrates that there are technology driven advancements around client on boarding, which is vital. While these are great signs, further innovation around information the executives may have a considerably increasingly noteworthy effect on associations' capacity to scale in the low-salary showcase fragment and to get to monetarily avoided clients.

One such innovation is automation of compliance.

Compliance automation, otherwise called automated compliance, is a class of programming applications that utilization man-made brainpower (AI) highlights and innovation to improve and simplify compliance methods. These applications give associations work process abilities identified with consistence, including self-appraisals, control examinations, restorative activity arranging and controls testing. Via automating these procedures, compliance automation replaces spot checks. Compliance automation is gainful to incorporate into

associations that procedure delicate data, for example, hospitals or banks, financial institutions like bKash or that must hold fast to a lot of principles and guidelines when ensuring customer information. Laws and administrative prerequisites update consistently, making the automation forms progressively profitable, improved, and exact for inward inspectors and senior management.

Benefits of compliance automation:

1. Compared to manual controls, implementation is more time and cost effective.
2. It is easy as compliance status and audit information can be accessed and checked within a single dashboard.
3. Risk management decisions can be made based on real-time data.
4. Makes the implantation of compliance policies uniform across computing platforms such as physical servers, private clouds, public clouds, and containers.
5. Continuously verifies compliance requirements, manages third-party risks and catches potential weaknesses.
6. Reduces the likelihood of encountering compliance fines or breaches.
7. Minimizes the number of inadequate or inaccurate reporting mistakes.

Conclusion

An AML/CFT consistence program not just causes an organization to conform to guidelines but if done legitimately, it can help in spotting openings or potential shortcoming along the business procedure that might possibly be AML/CFT related. Additionally, it permits a compliance officer to help guide and better exhortation inside on the ML/TF hazards just as advancing a culture that will profit the association over the long run. At present, the overall improvement of a nation is extraordinarily subject to its technological advancement. bKash is assuming an indispensable job in the field of innovation and current science. It has every one of the characteristics and qualities to improve the digital marketing stage of Bangladesh. It as of now covers installments of all the major online shops and brands accessible in the nation. In not so distant future, we can most likely expect that bKash will work with the global organizations. bKash is leaving behind a positive impression in the general public with their moral qualities and contributions to its clients. The bKash board and the executives are the first to state that there is still much to do to construct the business. It needs to settle its innovation and technology stage to help a lot higher volume of exchanges. Early fast scale has given a platform to bKash to make its next strides and has demonstrated that it is conceivable to make a more profound and increasingly competitive market in Bangladesh.

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Appendix

Survey Questionnaire

Job position:

Division: **ECAD**

Please put tick mark: Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), Strongly Disagree (1)

SL	Statements	5	4	3	2	1
	Legal and Administrative Perspective					
1	The existing legal and administrative framework in Bangladesh is highly adequate to establish a strong and effective AML/CFT system for financial institution to adhere to.					
2	The authorities involved in combating money laundering and terrorist financing are provided with adequate financial, human and technical resources.					
3	The relevant authority has effective mechanisms in place which enable them to cooperate, and co-ordinate domestically with each other concerning the development and implementation of policies to combat ML/TF.					
	AML/CFT Compliance					
4	The internal policy development in bKash Ltd. is highly effective in terms of acting as a preventive measure against money laundering and terrorist financing.					
5	The procedures and controls undertaken by bKash Ltd. has significantly reduced money laundering and terrorist financing activities encountered by the organization.					
6	Compliance management arrangements made by bKash Ltd. enables effective execution of responsibilities by officers in Compliance Division.					

7	bKash Ltd. ensures adequate screening procedures to ensure high standards when hiring employees in AML/CFT department.					
8	The compliance management framework in bKash Ltd is structured enough to provide required information to relevant authorities without hampering work efficiency.					
Training Related Questions						
9	The ongoing AML/CFT employee training program conducted in bKash Ltd. is effective in raising awareness about this issue.					
10	The AML/CFT training increases your motivation to the job you do.					
11	The AML/CFT training improves your skills, knowledge, attitude change, new capabilities.					
Effectiveness Related Questions						
12	Work responsibilities are delegated to the appropriate personnel with ample time for completion.					
13	Work assignments are reviewed for feedback on results.					
14	The meetings regarding compliance to guidelines and policy are action-oriented and useful.					
15	The longer-term strategic goals are delivered on time.					