

- MNBBL fully complies with provisions of Assets (Money) Laundering Prevention Act, Regulations and Guidelines issued by Nepal Rastra Bank and implemented Internal Policies and Procedures to combat Money Laundering and Financing of Terrorism.





Know Your Customer (KYC)

- ❶ Process of identifying a customer trying to maintain business relationship or has already maintained such relationship or has requested for occasional transaction/s.
- ❷ Helps Bank to identify and verify the customer/s; assess risk and manage it; develop risk-based, effective, efficient and economic control system; and identify further business potential
- ❸ Objectives of KYC guidelines is to prevent banks and other institutions from being used, intentionally or unintentionally, by criminal elements for money laundering activities.
- ❹ Documents collected from the client at the start of business relationship enable banks and other institutions (including online portals) to better understand their customers, their financial dealings and manage their risks prudently.



When KYC Documents are Mandatory in Banks

- Opening a new account. (i.e. Deposit/ Borrow).
- While entering into business with Bank or enjoying any services or products facilitated by Bank.
- Opening a subsequent account where documents as per current KYC standards not submitted while opening the initial account.
- Opening a locker facility where these documents are not available with the bank for all locker facility holders.
- When the bank feels it is necessary to obtain additional information from existing customers based on the conduct of the account.
- When there are changes to signatories, mandate holders, beneficial owners, etc



What are KYC Documents (i.e. Evidence for Identification/Existence)?

Valid Identification documents as listed under;

- 🇳🇵 Citizenship, Passport, Driving License, Voter Card, PAN Certificates
- 🇳🇵 Registration Certificate, PAN Certificates, Memorandum of Association (MOA) and Articles of Association (AOA), Tax Certificates, Audit Reports
- 🇳🇵 Others documents as per nature of entity in line with NRB Directives

Further, information on documents required for opening a bank account, updating KYC can be obtained from any nearest branches and bank website (i.e. in line with NRB Unified Directives 19.)



What is Beneficial Owner?

- Beneficial owner refers to the natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.
- Determination of Beneficial Owner is done in terms of Natural Person and Legal Person.

Documents and all the records related to the beneficial owners shall be kept safe for the period of at least 5 years from the date of termination of relationship or transaction.



“जनता बैकमा होइन, बैक जनतामा जानु पर्दछ”

Obligations about Beneficial Owners

- Determining who your customers' beneficial owners are
- Assessing the level of money laundering/terrorism financing risk your customers' beneficial owners pose to your business or organization
- Verifying the identity of your customers' beneficial owners
- Keeping records of how you identified each beneficial owner and verified their identity.



Foreign Account Tax Compliance Act (FATCA) 2010

- The US Treasury Department website summarizes the act this way: “FATCA requires foreign financial institutions (FFIs) to report to the IRS information about financial accounts held by US taxpayers, or by foreign entities in which US taxpayers hold a substantial ownership interest.”
- FATCA seeks to eliminate tax evasion by American individuals and businesses that are investing, operating, and earning taxable income abroad.



What is Money Laundering?

- ❶ Money Laundering is the process by which illegal funds and assets are converted into legitimate funds and assets. In Money Laundering, Illegal or Dirty Money is put through a cycle of series of transactions or washed to convert to clean or legal money.
- ❷ Money Laundering is not a single act but is in fact a process that is accomplished in three basic steps: Placement, Layering, Integration

What is Financing of Terrorism?

- ❶ Financing of Terrorist involves the solicitation, collection or provision of funds with the intentions that they may be used to support terrorist acts or organizations. Funds may stem from both legal and illicit sources.



How Money Laundering is a Threat to customer?

- They request you to be a profit sharing partner upon sharing of pin codes, reply of various fun transfer messages
- They promise your financial rewards if you allow to conduct transactions in your accounts on behalf of them
- Or similar types of approaches which bank staffs do not asks with their customers.

If such suspicious behaviors is noticed, kindly inform/write to bank to prevent yourself from being used or get involved in Money Laundering.

