



NCC Bank
नेपाल क्रेडिट एण्ड कमर्स बैंक लि.
Nepal Credit & Commerce Bank Ltd.

Administration Circular No.: 14/2019

Date of Issue: February 5, 2019
(Magh 22, 2075)

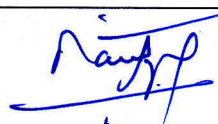
Subject: Amendment in AML, CFT and KYC
Policy - 2018

To: All the Staff Members of Nepal Credit & Commerce
Bank Ltd.

This is to inform all the Staff Members of Nepal Credit & Commerce Bank Ltd. that the Board Meeting No. 722 held on December 26, 2018 (Poush 11, 2075) has decided to amend the AML, CFT and KYC Policy - 2018 of the Bank by adding new provisions in Clause No. 3.5 and Clause No. 26 as follows with immediate effect.

S.N.	Particular	New Provision
1.	<ul style="list-style-type: none">Addition in Clause No. 3.5 of AML, CFT and KYC Policy - 2018	<p>Existing responsibilities remains constant and following other additional responsibility has been added in Clause No. 3.5 of the Policy:</p> <p>3.5. AML Monitoring Unit</p> <ul style="list-style-type: none">Prepare TTR and STR Report as per the frequency prescribed by NRB Directive and report electronically through GO-AML Software. Receive Suspicious Transaction Report from the branches; analyze centrally the suspicious transactions or activities and report as needed.Monitoring of news related with ML and TF published in different media.Monitoring the transactions through AML Software and Other available system and take necessary action if any misbehavior is observed.Monitoring of Customer Due Diligence requirement as per the prevailing laws and regularity framework.To co-ordinate with all internal and external correspondence regarding the issue of AML/CFT compliance of the Bank.To ensure the entire regulatory requirement, internal policies and procedures concerning AML/CFT are properly implemented in Bank.

2.	<p>New Provision (Caluse-26): Trade Based Money Laundering Policy</p>	<p>26. Trade Based Money Laundering Policy:</p> <p>Trade Based Money Laundering is the process of disguising the proceeds of crime and moving value or money through the use of trade in an attempt to legitimize their illicit origin. International trade is an attractive medium for money launderers to transfer large values across borders, owing to its significant volume and value.</p> <p>Bank finance upon the trade transaction using products such as letters of credit, where trade related documents (such as invoices, transport documents) is sent through the bank, which may then be examined by the bank for consistency with the terms of the trade transaction. In such case, bank gets information on the transaction as well as the parties involved in the transaction.</p> <p>Bank shall follow best practices and controls that may be implemented by a bank to combat Trade Based Money Laundering.</p> <p>Bank needs to ensure that the sanctions risks associated with trade finance are equally and jointly considered. Bank should make certain that the necessary controls to mitigate Sanctions risks associated with such transactions are implemented and monitored.</p> <p>Trade Based Money laundering risk factors that a bank may consider include:</p> <ol style="list-style-type: none"> Number of customers or accounts conducting trade transactions; The value and volume of trade transactions; Number of customers, accounts, value and volume of trade transactions held or conducted by high risk customers; Number of customers or accounts incorporated or has operations in high risk countries or high risk industries conducting trade transactions; Number of customers; The value and volume of trade transactions to or from high risk countries or high risk industries; The value and volume of transactions relate to high risk trade products; Number of alerts raised on unusual transaction pattern related to TBML; Number of STRs raised on suspicion of TBML; Number of correspondent banking relationships in high risk countries.
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		k) The procedure to be followed for identifying and monitoring trade based money laundering shall be described in KYC, AML/CFT Procedural Guideline.
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Therefore, all the Staff Members are instructed to note the above additional provisions and act accordingly.



Ramesh Raj Aryal
Chief Executive Officer