[Emblem of Nepal]

Government of Nepal

Ministry of Land Management, Cooperatives and Poverty Alleviation

Department of Cooperatives

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**Subject: Regarding Anti-Money Laundering Direction and Guideline**

This notice is published for the information of all concerned that, in the exercise of the authority conferred by sub-section (2) of section 7p. of the Money Laundering Prevention Act, 2064, the following Direction and Guideline regarding anti-money laundering for cooperative societies have been issued.

**Details**

1. **Direction issued to Cooperative Societies and Associations regarding Anti-Money Laundering (including fifth amendment), 2074**
2. **Guideline on Risk-Based On-site Inspection and Off-site Supervision of Cooperative Institutions for Anti-Money Laundering Law Compliance (including first amendment), 2082**

(Signature)

Umesh Dhungana

Registrar

### **Direction Issued to Cooperative Societies and Associations Regarding Anti-Money Laundering, 2074**

**Date of Approval:** 2074/10/15 (January 29, 2018)

**Amendment Dates:**

* First Amendment: 2076/07/18 (November 4, 2019)
* Second Amendment: 2077/04/23 (August 7, 2020)
* Third Amendment: 2079/02/23 (June 6, 2022)
* Fourth Amendment: 2081/09/19 (January 3, 2025)
* Fifth Amendment: 2082/07/21 (November 6, 2025)

Preamble:

For the effective implementation of the Money Laundering Prevention Act, 2064 and the Rules framed thereunder, to maintain the integrity and transparency of financial transactions in cooperative institutions and to protect the cooperative financial system, the Department of Cooperatives, with the approval of the Ministry of Land Management, Cooperatives and Poverty Alleviation, has issued this Direction in the exercise of the authority conferred by sub-section (2) of section 7p. of the Money Laundering Prevention Act, 2064.

### Chapter 1: Preliminary

1. Short Title and Commencement:

(1) This Direction shall be called the "Direction Issued to Cooperative Societies and Associations Regarding Anti-Money Laundering (including fifth amendment), 2074".

(2) This Direction shall come into force immediately.

2. Definitions:

Unless the subject or context otherwise requires, in this Direction:

(a) "Act" means the Money Laundering Prevention Act, 2064.

(b) "Office" means the Department, Provincial Cooperative Regulatory Body, or Local Level Cooperative Regulatory Body.

(c) "Assets" means the total assets or liabilities of the institution as per the audit of the last fiscal year's balance sheet.

(d) "Rules" means the Money Laundering Prevention Rules, 2081.

(e) "Chief Executive Officer" means the Executive Director, General Manager, Manager, or an employee of a similar post who has the final responsibility for the daily operations and control of the institution, and this term also includes any other officer working as the executive head of the institution.

(f) "Ministry" means the Ministry of Land Management, Cooperatives and Poverty Alleviation.

(g) "Registrar" means the Registrar of the Department.

(h) "Financial Information Unit" means the Financial Information Unit pursuant to Section 9 of the Act.

(i) "Bylaws" means the bylaws of the institution.

(j) "Department" means the Department of Cooperatives.

(k) "Association" means a District-level Thematic Cooperative Association, District Cooperative Association, Provincial Thematic Cooperative Association, Provincial Cooperative Association, Central Thematic Cooperative Association, or Specialized Cooperative Association registered under the Cooperatives Act, 2074, and this term also includes the National Cooperative Federation.

(l) "Member" means a member of the institution, and this term also includes the person as defined in clause (b) of Rule 2 of the Rules.

(m) "Institution" means a cooperative society registered under the Cooperatives Act, 2074, and this term also includes Associations and Cooperative Banks.

(n) "High-Ranking Person" (Politically Exposed Person) means the person referred to in section 2(ch), (bha), and (ha) of the Act.

(o) "Beneficial Owner" means the natural person who is the ultimate beneficiary or owner, having direct or indirect ownership, control, direction, or influence over a customer, transaction, property, legal person, or legal arrangement.

### Chapter 2: Provisions Regarding Member Identification and Verification

3. Member Identification:

(1) The institution shall identify and verify its members and persons wishing to become members based on the Citizenship Certificate or National Identity Card. For this identification, electronic records of the Citizenship Certificate or National Identity Card or access to such records through the 'Nagarik App' may be used for verification.

(1a) The institution shall not grant membership or conduct transactions with any person who does not provide the necessary documents, details, and information for member identification and verification as per sub-section (1), or whose identification and verification cannot be completed based on the provided documents, details, and information.

(2) The format of the Know Your Member (KYM) form to be filled out by the institution for member identification shall be as follows:

(a) For a natural person, as per Schedule (1).

(b) For a legal person as per sub-section (2) of section (30) of the Cooperatives Act, 2074, as per Schedule (2).

(c) Every Association or Cooperative Bank shall only grant membership to institutions that mandatorily submit an updated risk assessment report as per Schedule (3).

(3) When identifying and verifying a member, the institution must also identify the beneficial owner and beneficiary, if any.

(4) When identifying a member, the institution must obtain the thumbprint of the natural person. In the case of members under sub-section (2) of section 30 of the Cooperatives Act, 2074 (i.e., legal entities), the official stamp and the thumbprint of the account operator must be obtained.

(5) If someone has deposited savings in a child savings account in the capacity of a guardian or custodian, the thumbprint of such guardian or custodian must be obtained.

(6) The entire responsibility for correctly identifying and verifying its members as per this Chapter shall lie with the concerned institution.

4. Informal Inquiry:

While identifying and verifying a member as per section 3, the institution may, as necessary, also make informal inquiries from well-known members, neighbors, or other reliable sources.

5. Provisions Regarding Listed Persons:

Regarding the freezing of assets and funds of listed persons, groups, or organizations, the cooperative institution shall do as follows:

(1) The cooperative institution shall ensure effective compliance with the provisions mentioned in Chapter 6b of the Act and Chapter 6 of the Rules when identifying members and conducting other business.

(2) The cooperative institution shall also apply the provisions mentioned in this Direction, as per section 2(d1), section 7dh1, and Chapter 6b of the Act, in the context of financial investment in the proliferation of weapons of mass destruction.

(3) For the effective implementation of this section, the procedures and guidelines issued by the Ministry of Home Affairs and the Department must be complied with.

(4) Assets and funds as per this Act/Rules and Direction, which are published on the website of the United Nations or, in other cases, on the website of the Ministry of Home Affairs, must be frozen by the reporting institution within a maximum of 24 hours from the time of publication. The institution must make institutional arrangements accordingly and continue to monitor and take action regularly thereafter.

6. Not to Grant Membership:

The institution shall not grant membership to any person whose name, address, occupation, family, and lifestyle details are not known, including through the measures mentioned in section 7k(4) of the Act.

7. Personal Presence Required:

The concerned person must be physically present when submitting the details and documents as per sub-section (2) of section 3 or when giving notice of any change therein.

8. Special Provisions for Identification of High-Ranking Persons (PEPs):

(1) The institution shall, in addition to the measures mentioned in section 7kh of the Act, also adopt the following measures for identifying and managing the risk of High-Ranking Persons (PEPs):

(a) Regularly update the member's details.

(b) Immediately identify any additions or changes to High-Ranking Persons.

(c) Identify the family members and associates of High-Ranking Persons.

(d) Adopt appropriate enhanced member identification measures for the High-Ranking Person, their family members, and associated persons or members, based on their official position and involvement, and place such members in the high-risk category for risk management.

(2) The following procedures may be adopted for identifying High-Ranking Persons:

(a) Taking information from the member.

(b) Gathering publicly available information.

(c) Analyzing information available on social media.

(d) Obtaining commercially available data.

(2a) Cooperative societies/associations shall maintain records of High-Ranking Persons by classifying them as follows:

(a) High-Ranking Persons currently in office.

(b) High-Ranking Persons no longer in office.

(3) The records of a High-Ranking Person must be kept for at least ten years from the date they last left their position.

9. Provisions for Identification and Verification of Existing Members:

(1) The institution must identify, verify, and update the details of existing members as per the Act, Rules, and this Direction, as follows:

(a) For high-risk members, at least once every year.

(b) For medium-risk members, at least once every two years.

(c) For low-risk members, at least once every three years.

(2) ... [Deleted by the third amendment]

(3) If the institution believes there has been a significant change in risk, it must update the identification on a risk-sensitive basis, even before the period mentioned in sub-section (1).

10. Identification of Beneficial Owner:

(1) The cooperative institution shall identify and ascertain the beneficial owner based on the following:

(a) Whether reasonable measures have been taken to identify and verify the beneficial owner when establishing a business relationship or conducting a transaction.

(b) Whether a High-Ranking Person, a high-risk person, or a suspicious person is establishing a business relationship or conducting a transaction on behalf of another person.

(c) When ascertaining as per clause (b), if it is found that a person is establishing a business relationship or transaction on behalf of another, whether measures have been taken as per clause (d) of sub-section (4) of section 7k of the Act regarding the identification and verification of that person.

(2) The institution shall, in addition to the measures mentioned in section 7g of the Act and Rule 6 of the Rules, also adopt the following measures for identifying the beneficial owner:

(a) Do the details submitted by the member, their transactions, and their status align?

(b) Is there a possibility of any other person's influence or interest in the member's work or transactions?

(c) Does the member's ancestral and current economic situation appear natural?

(d) Is there consistency with publicly available information about the member and their associates?

(e) Other measures deemed appropriate by the institution.

(3) The institution shall make effective arrangements for identifying beneficial owners, monitoring their transactions, and carrying out such work.

11. Provisions for Enhanced Member Identification (EDD):

(1) The institution shall conduct enhanced identification of the following members as per section 7ng of the Act and Rule 8 of the Rules, and shall place them in the high-risk category for risk management:

(a) Members conducting transactions through electronic means.

(b) Members who are at high risk from the perspective of corruption, tax evasion, or other criminal activities.

(c) Members who conduct high-value economic transactions.

Explanation: For the purpose of this clause, "member conducting high-value economic transactions" means a member who has saved, purchased shares, or taken a loan of more than Rs. 30 lakhs (3,000,000) annually.

(d) Members who conduct complex, large, or unusual transactions with no clear economic or legal purpose, and High-Ranking Persons (PEPs), their family members, and associated persons or members.

(e) Other members whom the institution deems necessary for enhanced identification.

(2) When transacting with the members mentioned in sub-section (1) and their associated persons, the following measures shall be adopted in addition to those mentioned in Rule 8 of the Rules:

(a) Collect information formally or informally to identify the source of wealth.

(b) Investigate the information received as per clause (a) and take necessary action based on the conclusion.

(c) Set limits for transaction monitoring.

12. Provisions for Simplified Member Identification:

The institution shall also maintain separate records of members identified through simplified measures as per section 7ch of the Act and Rule 9 of the Rules.

13. Risk Management Required:

(1) When identifying, assessing, and managing risk as per section 7gh of the Act, the institution shall, in addition to the bases mentioned in that section, also use the following bases:

(a) National and sectoral risk assessment.

(b) International study and research reports on subjects mentioned in the Act.

(c) Economic condition and background of the member and associated persons.

(d) Official or other influential status or ultimate ownership status.

(e) The naturalness, reliability, and consistency of the submitted details, the product or service used or intended to be used, the delivery channel, and the transactions.

(f) Changes in the member's economic or other conditions.

(g) Characteristics of the place where the member resides or conducts business.

(h) Other bases deemed appropriate by the institution.

(2) Cooperative societies/associations must, as per section 7gh and section 35 of the Act, identify and assess institutional risks related to money laundering, terrorist activities, or financing the proliferation of weapons of mass destruction, and prepare a report thereof and submit it to the Department of Cooperatives within two months of the end of the fiscal year. When conducting such risk assessment, the institution must identify, analyze, and evaluate risks related to AML/CFT, including Member, Product, Geographic Location, and Delivery Channel. Before conducting such risk assessment, the methodology and objective criteria for the assessment must be prepared and submitted to the Department.

(3) Cooperative societies/associations must submit details of their members related to anti-money laundering in the format of Schedule 3 to the Department of Cooperatives by the end of Shrawan (mid-August) each year.

(4) The institution must make necessary policy, procedural, and control arrangements for risk management.

(5) Cooperative societies/associations must, based on the risk assessment report as per sub-section (2), update their risk analysis annually every fiscal year, make necessary revisions to their policies and procedures accordingly, and implement a risk-based annual action plan.

(6) Cooperative societies/associations must prepare an annual report, including a review of the activities undertaken throughout the year regarding the prevention of money laundering, terrorist activities, and financing the proliferation of weapons of mass destruction, and submit it to the Department of Cooperatives within two months of the end of the fiscal year. The report thus submitted must include whether the institution has formulated an anti-money laundering procedure, whether it has been revised, whether a risk analysis has been conducted, if so, the number of members classified based on risk, whether it is registered in the Financial Information Unit's goAML system, if so, the number of reports sent to the goAML system, the name and contact number of the Compliance Officer, the total number of members of the cooperative, the number of members whose identification and verification have been completed, and other activities undertaken by the institution.

**14.** ... [Deleted by the fourth amendment]

15. Source of Funds Disclosure Required for Threshold Transactions:

The institution must obtain a source of funds disclosure from the concerned member or person when conducting the following transactions of Rs. 10 lakhs (1,000,000) or more:

(a) When purchasing shares of the institution.

(b) When depositing savings in the institution.

(c) When repaying the principal or interest of a loan taken from the institution.

(d) When receiving payment for, depositing into an account, or transferring funds from remittance or transfer.

16. Continuous Monitoring Required:

When conducting continuous monitoring as per section 7jh of the Act, the institution must prioritize members and transactions classified as high-risk.

17. Not to Transact:

The institution shall not conduct transactions with persons mentioned in sections 6 and 7n of the Act, nor with persons who have not fulfilled the member identification requirements.

18. Protective Measures to be Adopted:

When conducting transactions through new technology or without the person being physically present, as per section 7t of the Act, and when formulating procedures for the same, the institution must adopt necessary measures for the appropriate management of risk.

19. Threshold Transaction Report (TTR):

(1) The institution must send a report on threshold transactions, as per section 10k of the Act, to the Financial Information Unit in the format prescribed by the Financial Information Unit within 15 days of the completion of the transaction.

Explanation: "Threshold Transaction" means the following transactions as prescribed by Nepal Rastra Bank:

(a) A cash deposit transaction of Rs. 10 lakhs or more made by a member into an account in a single day, either at once or in several installments, or a cash withdrawal transaction of Rs. 10 lakhs or more made from an account in a single day, either at once or in several installments.

(b) A cash deposit transaction of Rs. 10 lakhs or more made by a member into the bank or financial institution account of the concerned cooperative institution in a single day, either at once or in several installments.

Note: The report must be made according to the cash deposit voucher of the bank or financial institution submitted by the member to the cooperative institution.

(2) Notwithstanding anything written in this section, transaction details of the following are not required to be sent to the Financial Information Unit:

(a) Transactions by the institution with government offices or bodies established under special acts that are permitted to transact with the institution as per the Cooperatives Act, 2074.

(b) Transactions where the institution has provided loans, advances, or facilities to its employees as per prevailing law.

(c) Cash transactions conducted by a cooperative society/association with any bank or financial institution.

(d) Cash transactions conducted by a cooperative society/association with a cooperative bank.

However, this exemption shall not be deemed to prevent the identification of suspicious transactions in such exempted transactions and the preparation and submission of a report on them to the Financial Information Unit.

20. Regarding Suspicious Transactions:

(1) The institution must develop and implement a system to pay special attention to specific transactions mentioned in section 7dh of the Act.

(2) If the following conditions exist regarding a member, transaction, or property as per section 7th of the Act, the institution must conduct a necessary investigation and immediately submit a suspicious transaction report (STR) to the Financial Information Unit in the format prescribed by the Financial Information Unit. When preparing such a report, the 'STR/SAR Guidelines', 'goAML Operational Guidelines', and other guidelines issued by the Financial Information Unit must be taken as a basis:

(a) If there is suspicion or reasonable grounds to suspect that any property is related to a money laundering or terrorist financing offense or other offense, or

(b) If there is suspicion or reasonable grounds to suspect that any property is related to or connected with a terrorist act, terrorist person, terrorist organization, or terrorist financing, or that it may be used for such an act, person, or organization.

(2a) The institution must submit a report as per sub-section (2) even if a member merely attempts to conduct a suspicious transaction.

(3) In cases where details or information of any person or institution are requested by investigating bodies in the course of an investigation, it shall not be necessary to inform the Financial Information Unit, except where new facts or matters that appear suspicious come to light. However, the details of such persons or institutions and their transactions must be prepared and kept ready to be provided when requested.

(4) If it is found that an institution has not submitted a suspicious transaction report when such a report was required, the regulatory body must inform the Financial Information Unit of this.

21. Compliance with Financial Information Unit's Directions:

(1) The institution must comply with the directions and guidelines regarding threshold and suspicious transactions issued by the Financial Information Unit.

(2) In cases where threshold and suspicious transactions based on transactions within the cooperative society/association are required to be submitted to the Financial Information Unit, the report on such threshold and suspicious transactions/activities must be submitted only through the Financial Information Unit's goAML Software System Production Environment. For this, the society/association must keep its member details updated in its core system or other electronic means.

### Chapter 3: Responsibilities

22. Responsibility of the Institution:

The Board of Directors shall be responsible for making appropriate arrangements for the policy, procedure, control system, human resources, means, and resources necessary for the effective fulfillment of the obligations to be met by the institution as per the Act, Rules, and this Direction.

23. Responsibility of the Chief Executive Officer:

The Chief Executive Officer shall have the managerial responsibility to make the necessary arrangements to fulfill the obligations to be met by the institution as per the Act, Rules, and this Direction.

24. Compliance Officer:

(1) The Board of Directors of the institution shall appoint a management-level Compliance Officer as per sub-section (3) of section 7t of the Act to fulfill the obligations under the Act, Rules, and directives issued thereunder.

(2) Until a Compliance Officer is appointed as per sub-section (1), the Chief Executive Officer shall also bear the responsibility of the Compliance Officer.

(3) The institution must submit the name, address, qualifications, contact number, email, and other details of the Compliance Officer to the Financial Information Unit and the Department. It must also send information of any change in the Compliance Officer or their details.

(4) The institution shall specify that the Compliance Officer, in addition to the duties, responsibilities, and powers mentioned in sub-section (4) of section 7t of the Act, shall also perform the following tasks:

(a) To act as a focal point for making the work under the Act, Rules, and this Direction effective.

(b) To draft and submit policies, procedures, and systems for the effective implementation of the Act, Rules, and this Direction.

(c) To analyze and investigate information received from employees or other sources regarding unnatural or suspicious transactions as per the Act, Rules, and this Direction.

(d) To be able to obtain expert services from other departments or officials of the institution or any necessary documents, details, or information at any time without hindrance to perform their duties.

(e) To monitor whether the provisions of the Act, Rules, and this Direction are being implemented and to submit a report.

(5) The institution must also arrange for necessary staff to assist the Compliance Officer.

(6) The Compliance Officer must recommend action against any officer or employee of the concerned institution who fails to provide the necessary information, details, documents, records, or particulars requested in the course of implementing the Act, Rules, and this Direction. The concerned institution must take action as per the recommendation and inform the Financial Information Unit and the Department of such action.

(7) The Board of Directors of the institution must review the actions taken as per the Act, Rules, and this Direction at least once every six months.

(8) The institution must make necessary arrangements for the capacity development of its members, Board of Directors members, senior management, and employees to make the compliance with the Act, Rules, and this Direction effective and result-oriented.

(9) If a situation arises where a suspicious transaction report to be sent by the cooperative society/association involves an immediate family member or close relative of the Compliance Officer, the Manager/Chief Executive Officer must verify this, arrange for the report to be sent by another employee, and inform the Board of Directors.

25. Delegation of Work and Responsibility:

(1) The Chief Executive Officer may delegate the tasks to be performed by the institution as per the Act, Rules, and this Direction among the subordinate employees and also assign the responsibility for their performance.

(2) Notwithstanding anything written in sub-section (1), work delegation or responsibility assignment shall not be done in a manner that adversely affects the role of the Compliance Officer as per sub-section (4) of section 7t of the Act, the Rules, and this Direction.

26. Maintaining Confidentiality:

(1) The Compliance Officer shall not give information or details of the threshold or suspicious transaction report prepared or submitted as per the Act, Rules, and this Direction to anyone other than the Financial Information Unit.

Provided that, nothing in this section shall be deemed to prevent the provision of details other than the report and the names mentioned in the report, when requested by the Department, Office, or an officer empowered by prevailing law.

(2) The officers, employees, advisors, or auditors of the institution shall maintain the confidentiality of information or details received in the course of performing their duties and shall not disclose them to the concerned or any other person in any manner.

(3) Anyone who fails to comply with the confidentiality provisions, except in the circumstances of defense as per section 37 of the Act, shall be punished as per section 44k of the Act and prevailing law.

27. Approval of Internal Procedure:

(1) For the effective performance of the tasks to be carried out as per the Act, Rules, and this Direction, the institution must formulate an internal policy and procedure to effectively implement section 7t(1) of the Act and other provisions of the Act, Rules, and this Direction, have it passed by the General Assembly, and implement it.

(2) When formulating the policy as per sub-section (1), the institution must also include the following subjects:

(a) The practice of cooperative philosophy, principles, values, and norms.

(b) Institutional structure and effectiveness-related arrangements and strategy for the effective implementation of the system for preventing money laundering, terrorist financing, and related crimes.

(c) Expectation of the highest ethical standards from members, representatives, and employees, and zero tolerance for false declarations and deviations.

(d) Encouragement and protection for general members, elected officials in various positions, and employees to provide information, report, and perform other duties freely, fearlessly, and proactively in the implementation of the Act, Rules, and this Direction.

(e) Investment in member information, education, and communication activities, as well as employee skill development, regarding the institution's obligations in preventing money laundering and terrorist financing.

(f) Continuous image projection of the institution through integration with the management information system, regular reporting, and proactive compliance.

(3) When formulating the internal procedure as per sub-section (1), the institution must also include the following subjects:

(a) Internal responsibility and work delegation.

(b) Member identification and updating.

(c) Risk assessment and management.

(d) Monitoring system.

(e) System for identification and reporting of unnatural, unusual, and suspicious transactions.

(f) A necessary checklist for tasks to be performed regularly by the Board of Directors, auditor, and other officers and employees of the institution, accordingto their portfolios.

(g) Arrangement for determining necessary physical facilities and equipment for document custody, information protection, access control to structures, and establishment of procedures for providing information requested as per prevailing law, and for record-keeping.

(h) Disciplinary action against employees who are negligent in their duties.

(i) Internal control, supervision, reporting, and review.

(j) Record-keeping provisions.

(k) Other necessary subjects.

(4) Cooperative societies/associations must update their risk-based institutional policy, procedure, and action plan at least once annually, and more than once if necessary, based on changes in law, risk assessment, changes in business and technology, and changes in the methods and trends of committing offenses, and submit it to the Department of Cooperatives.

28. ... [Deleted by the third amendment]

29. ... [Deleted by the third amendment]

30. Record Management:

(1) The institution must securely keep the details, lists, information, reports, records, and notices prepared as per section 7d of the Act, Rule 12 of the Rules, and this Direction for five years. Furthermore, the records must be kept, as far as possible, in electronic medium so that they can be quickly retrieved when needed.

(2) The institution must safeguard the documents, in addition to other matters, as follows:

(a) Assigning responsibility.

(b) Arranging for no unauthorized access.

(c) Institutions with assets of Rs. 5 crore or more must store them in a fire-proof safe, and other institutions must also store them in a safe that is as secure as possible.

(d) Adopting the measures mentioned in the internal procedure.

31. Necessary Measures to be Adopted:

In the course of fulfilling the obligations as provided in the Act and Rules, the institution shall, in addition to the provisions made in this Direction, also adopt the following necessary measures:

(1) The institution shall formulate and implement a code of conduct to be followed by its officers, employees, and members while performing their duties or conducting transactions within the institution, regarding matters relatedto the prevention of money laundering.

(2) When conducting the financial audit of each fiscal year, the institution must have an audit of money laundering and other related risks conducted by a licensed independent auditor.

(3) When electing the Board of Directors and Accounts Supervision Committee in the General Assembly as per the Cooperatives Act and Rules, or when appointing to senior management levels, the institution must determine and use appropriate criteria and measures to ensure that the institution does not fall under the ownership, representation, or control of individuals or groups involved in the crime of money laundering or other criminal activities.

(4) The Board of Directors of the institution shall ensure that its AML system works effectively, that risk is appropriately managed, that there is a system for adequate monitoring of unnatural activities, and that necessary reports are submitted to the concerned bodies.

(5) Special regulation and supervision arrangements shall be made for members involved in sensitive professions and businesses such as money/value transfer, money/value business, real estate, precious metals or stones, casinos, and manpower businesses, and such members shall be placed in the high-risk category.

(6) Cooperative societies/associations must have a compliance audit conducted by a listed compliance auditor as per section 35ch of the Act and submit a compliance report, including the matters mentioned in section 35ng of the Act, to the Department of Cooperatives within 6 months of the end of each fiscal year.

**32. Action and Penalties:** (1) Action shall be taken as per the Act against the institution and its employees and officers who do not effectively implement the provisions of the Act, Rules, and this Direction. (2) When taking action as per sub-section (1), the Department shall ask for a clarification as per sub-section (5) of section 7ph of the Act, giving a period of at least 15 days. (3) If the clarification submitted as per sub-section (2) is not found to be satisfactory, the Department may, based on the gravity of the non-compliance with the Act, Rules, and Direction, the extent of the violation, and the systemic impact it may have, take any or all of the following actions or penalties as per section 7ph of the Act:

| **S.N.** | **Non-compliance** | **Action** |
| --- | --- | --- |
| 1 | No policy or procedure | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
|  |  | \* Impose a fine of Rs. 10 lakh, or up to Rs. 30 lakh based on gravity. |
|  |  | \* Action up to cancellation of the institution's registration. |
| 2 | Non-implementation of identification provisions | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
|  |  | \* Impose a fine of Rs. 10 lakh. |
|  |  | \* If ignored even after the above penalty, or if the offense is repeated, impose a fine of more than Rs. 10 lakh or, based on gravity, action up to cancellation of the institution's registration. |
| 3 | Found transacting in anonymous or fictitious names | \* Impose a fine from Rs. 30 lakh up to Rs. 5 crore based on gravity, or additional punishment. |
| 4 | Non-compliance with Chapter 6b of the Act | \* First time: Fine of Rs. 20 lakh. |
|  |  | \* Second time: Fine of Rs. 50 lakh. |
|  |  | \* Third time onwards: Fine of Rs. 2 crore, or up to Rs. 5 crore based on gravity. |
|  |  | \* In case of repeated systemic problems, impose a partial or complete ban on transactions or business, or action up to cancellation of the institution's registration. |
| 5 | No system for identifying High-Ranking Persons (PEPs) | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
|  |  | \* Impose a fine of Rs. 10 lakh, or up to Rs. 30 lakh based on gravity. |
|  |  | \* Action up to cancellation of the institution's registration. |
| 6 | No provision for identifying beneficial owner, enhanced identification, or updating identification | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
|  |  | \* Impose a fine of Rs. 10 lakh. |
|  |  | \* If ignored even after the above penalty, or if the offense is repeated, impose a fine of more than Rs. 10 lakh or, based on gravity, action up to cancellation of the institution's registration. |
| 7 | Risk management not found, or risk assessment report not prepared, or report not sent to the regulatory body | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
|  |  | \* Impose a fine of Rs. 10 lakh, or up to Rs. 30 lakh based on gravity. |
|  |  | \* Action up to cancellation of the institution's registration. |
| 8 | No provision for continuous monitoring | \* Issue a written warning. |
|  |  | \* Impose a fine of Rs. 10 lakh. |
|  |  | \* If ignored even after the above penalty, or if the offense is repeated, impose a fine of Rs. 15 lakh or additional fine or punishment based on gravity. |
| 9 | No system for identifying threshold transactions | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
|  |  | \* Impose a fine of Rs. 10 lakh, or up to Rs. 30 lakh based on gravity. |
|  |  | \* Action up to cancellation of the institution's registration. |
| 10 | No system for identifying suspicious transactions | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
|  |  | \* Impose a fine of Rs. 20 lakh. |
|  |  | \* If ignored even after the above penalty, or if the offense is repeated, impose a fine of more than Rs. 20 lakh or, based on gravity, action up to cancellation of the institution's registration. |
| 11 | No Compliance Officer or provision as per section 24(2) found | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
|  |  | \* Impose a fine of Rs. 10 lakh. |
|  |  | \* Action up to cancellation of the institution's registration. |
| 12 | Board of Directors does not conduct the required review | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
| 13 | No capacity development activities for institution and employees | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
| 14 | Prescribed details not recorded or not securely kept for the prescribed period | \* Issue a written warning. |
|  |  | \* Impose limits on savings collection. |
|  |  | \* Impose limits on loan disbursement. |
|  |  | \* Impose a fine of Rs. 10 lakh, or up to Rs. 30 lakh based on gravity. |
|  |  | \* Action up to cancellation of the institution's registration. |
| 14a. | ... [Deleted by third amendment] |  |
| 15 | Threshold or suspicious transaction report not sent on time | \* The Financial Information Unit may impose a fine of up to Rs. 10 lakh as per section 10(7) of the Act. |

(4) Notwithstanding anything written in sub-section (3), when taking action, the Department shall do so in a manner that is effective, proportionate, and deterrent, considering the institution's economic and organizational condition, efforts made for compliance, and the gravity of the violation. *Provided that*, nothing in this section shall be deemed to prevent taking any or all of the actions as per section 7ph of the Act, considering the gravity of the violation. (5) If a situation arises where a cooperative society/association is to be subjected to action and punishment as per this section, or if such punishment is due to the act of any officer or employee of the institution, the concerned institution must take action against such officer or employee as per the prevailing law or the institution's bylaws, also considering the gravity of the violation and intent. *Provided that*, if the cooperative society/association fails to take such action, the Department may take action against such officer or employee, and may impose a fine from Rs. 10 lakh to 5 crore, or removal from office, or both, on the board member or concerned officer of the institution who failed to take action, depending on the state of compliance, gravity of the matter, and nature of the cooperative society/association. (6) Based on the institution's proactiveness in complying with the Act, Rules, and this Direction, and the proactiveness shown in systemic improvement, the regulatory body may, before taking action or imposing punishment, issue a direction to submit a report on the completion of implementation, including an annual action plan, within a specified timeframe.

**33. Monitoring, Inspection, Inquiry, and Regulation:** (1) Notwithstanding anything written in other sections of this Direction, the Department of Cooperatives may, at any time, conduct or cause to be conducted monitoring, inspection, inquiry, and regulation of any institution to determine whether the provisions of the Act, Rules, and this Direction have been complied with or whether work has been done accordingly. (2) It shall be the duty of the concerned institution to cooperate by providing the details, documents, and records requested by the monitoring, inspection, inquiry, and regulation team. (3) The monitoring, inspection, inquiry, and regulation team must submit a report in the prescribed format. When submitting the report, copies of documents, details, and records verifying the institution's implementation of legal provisions, along with a monitoring checklist, must be attached. (4) There shall be necessary mutual cooperation, coordination, and collaboration among regulatory bodies regarding the enforcement of the Act, Rules, and Direction. (5) In the case of institutions falling under the regulatory jurisdiction of the Province or Local Level, the Provincial Cooperative Regulatory Body or the Local Level shall act or cause to be acted as per this Direction. (6) When arranging for actions to be taken by the Province or Local Level as per this section, all tasks, duties, and powers mentioned in this Direction as being performed by the Office or Department shall be performed by the officer designated by the Provincial Cooperative Regulatory Body or the Local Level's executive to exercise the Registrar's authority. (7) Provincial and Local Level regulatory bodies must send an annual report of the deficiencies observed in institutions during monitoring, inspection, inquiry, and regulation to the Department. (8) The details, reports, and action plans to be sent by cooperative societies/associations to the Department of Cooperatives as per this Direction must be sent using the medium as per the notice published by the Department. Until such notice is issued by the Department, they must be sent to the Department's email address: info@deoc.gov.np.

**34. Right to Interpret:** (1) The right to interpret this Direction shall rest with the Registrar. (2) Matters not written in this Direction shall be as per the Act and Rules.

### Schedule-1

**(Related to section 3, sub-section (2), clause (a))**

**Format of Know Your Member (KYM) Form for Natural Persons or Members**

**a. Personal Details**

1. Name, Surname:
2. Date of Birth:
3. Citizenship Certificate No.:
4. Citizenship Certificate Issuing Office and District:
5. Gender: ☐ Female ☐ Male ☐ Third

**b. Family Details** 6. Mother's Name: 7. Father's Name: 8. Marital Status: ☐ Married ☐ Unmarried ☐ Single 9. Husband or Wife's Name, Surname: 10. Family Type: ☐ Joint and one kitchen ☐ Joint but separate kitchen ☐ Nuclear

**c. Occupation Details** 11. Own Main Occupation: ☐ Farming ☐ Business (Specify... ...) ☐ Service/Job (Specify... ...) ☐ Foreign Employment (Specify... ...) ☐ Other (Specify... ...) 12. Permanent Account Number (PAN): 13. Husband or Wife's Main Occupation: ☐ Farming ☐ Business (Specify... ...) ☐ Service/Job (Specify... ...) ☐ Foreign Employment (Specify... ...) ☐ Other (Specify... ...) 14. Other main earning member in the family besides self, husband or wife: 14.1 Relationship: 14.2 Occupation: ☐ Farming ☐ Business (Specify... ...) ☐ Service/Job (Specify... ...) ☐ Foreign Employment (Specify... ...) ☐ Other (Specify... ...) 15. Whether self or any family member holds a high-ranking position: ☐ Yes ☐ No 16. If self or any family member holds a high-ranking position, provide details: (1) Name: (2) Relationship: (3) Position or Public Role:

**d. Residential Details** 17. Permanent Address: (1) Province: (2) Municipality/Rural Municipality: (3) Ward: (4) Village/Tole: (5) House No.: (6) Contact No.: (7) Email ID: 18. Temporary Address: (1) Province: (2) Municipality/Rural Municipality: (3) Ward: (4) Village/Tole: (5) House No.: 19. Residence within the institution's working area: ☐ Permanent ☐ Temporary 20. Voter ID Card No.: 21. Polling Station: ... 22. Duration of stay in the institution's working area per year: 23. Passport No. (if any):

**e. Cooperative Membership** 24. Objective of becoming a member of the institution: 25. Whether also a member of another cooperative institution: ☐ Yes ☐ No 26. If also a member of another cooperative institution, provide details: | S.N. | Name, Address of Institution | Membership No. | | :--- | :--- | :--- | | (1) | | | | (2) | | | | (3) | | | | (4) | | | | (5) | | | 27. Whether any family member is a member of another cooperative institution: ☐ Yes ☐ No 28. If any family member is a member of another cooperative institution, provide details: | S.N. | Name, Surname, Relationship | Name, Address of Institution | Membership No. | | :--- | :--- | :--- | :--- | | (1) | | | | | (2) | | | | | (3) | | | | | (4) | | | | | (5) | | | | 29. If also a member of another cooperative institution, the purpose of dual or multiple memberships: 30. If any family member is a member of another cooperative institution, the purpose of dual or multiple memberships: 31. Whether another family member is also a member of this institution: ☐ Yes ☐ No 32. If another family member is also a member of this institution, provide details: | S.N. | Name, Surname | Membership No. | | :--- | :--- | :--- | | (1) | | | | (2) | | | | (3) | | |

**f. Income Source Details** 33. Annual family income (of self, spouse, and members of the same kitchen) (Net income from land, salary, business profit, etc.): ☐ Up to Rs. 4 lakh ☐ More than Rs. 4 lakh to Rs. 10 lakh ☐ More than Rs. 10 lakh to Rs. 25 lakh ☐ More than Rs. 25 lakh to Rs. 50 lakh ☐ More than Rs. 50 lakh 34. If annual family income is more than Rs. 4 lakh, details of income and source for the last fiscal year: | S.N. | Source | Amount (Rs.) | | :--- | :--- | :--- | | (1) | Farming | | | (2) | Business | | | (3) | Domestic Employment | | | (4) | Foreign Employment | | | (5) | Other (Specify... ...) | |

**g. Financial Transaction Details** 35. Details of the amount initially deposited or deposited in the institution to date: | S.N. | For | Amount (Rs.) | | :--- | :--- | :--- | | (1) | Share | | | (2) | Savings | | | (3) | Other (Specify... ...) | | 36. Estimated account transactions in the institution: a. Number of transactions per year: b. Estimated annual deposit amount: Rs. 37. Estimated loan transaction amount with the institution: Rs. 38. Additional details or remarks worth recording:

**h. Self-Declaration** (1) If there is any change in the details I have submitted, I will submit it to the institution within 35 days of such change. (2) All the details I have submitted above are true and correct. If found to be false, I shall bear the consequences according to the law.

Signature: Name: Thumbprint: (Right) (Left) Date:

**i. Attached Documents** ☐ Copy of Nepali Citizenship Certificate ☐ Copy of Voter ID Card ☐ Copy of Passport

**j. Recommendation (For members after registration)** I know Mr./Ms. ... ... ... ... ... ... ... ... ... ... ... ... ... well. He/She has signed/thumb-printed in my presence. To my knowledge, the details submitted are correct, and I recommend granting membership to the cooperative institution as per his/her application.

Recommending Member's Signature: Name: Membership No.:

Recommending Member's Signature: Name: Membership No.:

### Schedule-2

**(Related to section 3, sub-section (2), clause (b))**

**Format of Know Your Member (KYM) Form for Legal Entities in the Institution as per Section 30, Sub-section 2 of the Cooperatives Act, 2074**

1. **Institution's Details:**
2. Name:
3. Registration No.:
4. Registration Date:
5. Registering Office:
6. Renewal Date:
7. Head Office Address:
8. Main Objective of the Institution:
9. Nature of Business or Transaction:
10. Working Area:
11. Number and Location of Branches:
12. If any bylaws, constitution, or similar document is required for the establishment and operation of the institution or body as per prevailing law, a copy of the approved bylaws, constitution, or other such document, and in the absence of such, an official letter:
13. Estimated Annual Transaction:
14. Financial statements of the last fiscal transaction:
15. Tax clearance certificate or tax filing details of the last fiscal year:
16. Identification details of the members of the Board of Directors, Chief Executive, and Account Operators as per Schedule-1 and Schedule-3:
17. PAN/VAT Registration No.:
18. Decision of the Board of Directors:
19. Other details deemed necessary by the institution:

### Schedule-3

**(Related to section 13, sub-section (3))**

**... Cooperative Institution Ltd.** **Annual Risk Assessment Report**

a. Institution's Name: b. Address: c. Registration No.: d. Registration Date: e. Registering Office: f. PAN No.: g. Regulatory Body: h. Report Update: Year ... Month ... i. Institution's Working Area: j. Share Member Count: Female - ... Male - ... Total - ... Institutional Member Count - ... k. Total Assets of last FY: Rs. ... Total Savings from Members of last FY: Rs. ... Total Loan Investment of last FY: Rs. ... Total Share Amount of last FY: Rs. ... l. Date of issuance of AML Policy/Procedure: m. Date of Policy/Procedure update: n. Details of membership in District, Central, or other Associations or Federations: o. Compliance Officer: Name: ... Phone No.: ... Email: ... p. Total number of Board of Directors members: ... q. Year of last Board election: ... r. Total staff count: ... s. Date of last General Assembly: ... t. Software used by the institution: ...

| **S.N.** | **Details** | **Up to Previous FY** | **Added/Subtracted in this FY** | **Total** | **Remarks** |
| --- | --- | --- | --- | --- | --- |
| 1 | Total Member Count |  |  |  |  |
| 2 | KYM Updated Count |  |  |  |  |
| 3 | KYM Update Pending Count |  |  |  |  |
| 4 | Total High-Risk Members: |  |  |  |  |
|  | a) High-risk based on PEP: |  |  |  |  |
|  | b) High-risk based on transaction: |  |  |  |  |
|  | c) High-risk based on profession/business: |  |  |  |  |
|  | d) High-risk based on identification/background: |  |  |  |  |
|  | e) High-risk based on geography: |  |  |  |  |
|  | f) High-risk based on other grounds: |  |  |  |  |
| 5 | Total Medium-Risk Members: |  |  |  |  |
|  | a) Medium-risk based on position: |  |  |  |  |
|  | b) Medium-risk based on transaction: |  |  |  |  |
|  | c) Medium-risk based on profession/business: |  |  |  |  |
|  | d) Medium-risk based on other grounds: |  |  |  |  |
| 6 | Total Low-Risk Members: |  |  |  |  |
| 7 | Number of members whose risk level changed: |  |  |  |  |
| 8 | Number of High-Ranking Persons (PEPs): |  |  |  |  |
| 9 | Number of Threshold Transaction Reports (TTR): |  |  |  |  |
| 10 | Number of Suspicious Transaction Reports (STR): |  |  |  |  |
| 11 | Number of Suspicious Activity Reports (SAR): |  |  |  |  |
| 12 | Number of Beneficial Owners identified: |  |  |  |  |
| 13 | Number of members with Enhanced Identification: |  |  |  |  |
| 14 | Number of internal monitoring and review meetings: |  |  |  |  |
| 15 | Number of members with savings > Rs. 25 lakh: |  |  |  |  |
| 16 | Number of members with loans > Rs. 25 lakh: |  |  |  |  |
| 17 | Number of members with shares > Rs. 25 lakh: |  |  |  |  |
| 18 | Total number of members transacting > Rs. 10 lakh in a single day (deposit or withdrawal): |  |  |  |  |
| 19 | Does the institution operate ATM service? (Y/N) |  |  |  |  |
| 20 | Does the institution operate Remittance service? (Y/N) |  |  |  |  |
| 21 | Does the institution operate a Mobile App? (Y/N) |  |  |  |  |

Prepared by: Signature: Name: Position: Date: Institution's Stamp:

Approved by:

Signature:

Name:

Position:

Date:

### **Guideline** on Risk-Based On-site **Inspection and Off-site Supervision of Cooperative Institutions for Anti-Money Laundering Law Compliance (First Amendment), 2082**

1. Background

To fulfill the duties of the regulatory body as per the Money Laundering Prevention Act, 2064, and the Money Laundering Prevention Rules, 2081, the Department of Cooperatives has been issuing directions for cooperative institutions, monitoring them, and providing instructions for improvement on observed deficiencies.

The Asia/Pacific Group's Mutual Evaluation of Nepal, 2023, has highlighted many tasks Nepal needs to accomplish regarding Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT). Similarly, the Financial Action Task Force (FATF) has already decided to place Nepal on the grey list.

The Council of Ministers, Government of Nepal, has approved the "National Strategy and Action Plan on Anti-Money Laundering and Countering the Financing of Terrorism (2079/80-2083/84)" to complete the remaining tasks in AML. As per the action plan, the Department of Cooperatives is mentioned as the regulatory body for cooperatives under the jurisdiction of the Department, Provincial Government, and Local Levels. Likewise, an action plan containing the tasks Nepal must complete to exit the grey list has also been approved by the FATF. Based on that action plan, the "Detailing of Rapid Reform Activities to Exit the Grey List, 2082" has been approved by the Steering Committee chaired by the Hon. Finance Minister and is under implementation. Accordingly, this guideline has been formulated and implemented using the authority granted by Rule 99 of the Money Laundering Prevention Rules, 2081, to make the inspection and supervision by the Department of Cooperatives more effective.

2. Objective

The objective of this guideline is to identify institutions at risk from the perspective of AML law compliance, monitor such institutions on a priority basis, and take action based on monitoring reports to bring effectiveness to AML law compliance.

3. Inspection and Supervision Method for Cooperative Institutions

The Department will inspect and supervise cooperative institutions for AML law compliance based on the "Cooperative Institution Anti-Money Laundering Law Compliance Monitoring and Supervision Procedure, 2075" and this guideline, as follows:

a. On-site Inspection

For on-site monitoring, the Department will form a team of serving employees and deploy them for monitoring. The monitoring team will inspect the institution as per the procedure and must submit a report. In addition to that report, the team must also submit the following details separately:

* If the cooperative institution has formulated and implemented a procedure, the decision of the General Assembly that passed it.
* The number of members for whom the KYM form has been filled and the number of members whose KYM has been updated.
* The number of High-Ranking Persons (PEPs) in the institution.
* The number of Threshold and Suspicious Transaction Reports sent in the one-year period prior to the monitoring date.
* The criteria taken for risk classification of members.

b. Off-site Supervision

Off-site supervision will be conducted by the Anti-Money Laundering (Prevention) Unit. This supervision will be based on details received from various sections of the Department, cooperative institutions' websites, and news published publicly. During supervision, the unit may request details from the institution via letter or phone. Based on the received details, the unit may study and conduct supervision.

If a situation requiring action against the institution is seen, the Department will deploy a team for on-site inspection and monitoring. When deploying such a team, the off-site supervision report will also be provided. The on-site team will use that report as a basis for monitoring and inspection.

c. Emergency Supervision

Based on information, complaints, and grievances received by the Department, and information received from media and various regulatory bodies, emergency supervision will be conducted by the Department.

4. Selection of Cooperatives based on Risk

(1) When monitoring the AML law compliance of cooperative institutions, the Department will prioritize and select high-risk institutions. For this selection, priority will be given to cooperative institutions under the Department's direct jurisdiction based on geographical area and cooperative institutions with transactions exceeding Rs. 50 crore. Additionally, when selecting other cooperative institutions based on risk, the following details will be recorded and studied:

* Records in the Cooperative and Poverty Related Management Information System (COPOMIS).
* The number and amount of annual transactions of cooperative institutions.
* Revenue deposit amount.
* Cash transactions.
* Transactions with High-Ranking Persons (PEPs).
* Total assets of the cooperative institution.
* Annual transactions of the cooperative institution.
* Active member count of the cooperative institution.
* Risk status obtained from intensive monitoring.
* Not holding regular General Assemblies, audits, or reporting.
* The institution's loan and investment status.
* Bad loan status.
* Nature, working area, membership, and geographical location of the institution.
* Information, complaints, and grievances received by the Department.
* Information and details received from media and various regulatory bodies.
* AML law compliance status of the cooperative institution obtained from intensive monitoring.
* If credible information is received that money laundering activities are occurring in an institution.

(2) When selecting institutions as per sub-section (1), priority will be given to the following subjects:

* Institutions operating in areas designated as high and medium risk by the National Risk Assessment report.
* Published materials from studies and research related to the cooperative sector.
* Institutions with capital or transactions above Rs. 25 crore.
* Institutions that have not complied with directions given by the regulatory body during past supervision.
* Based on the number of individuals depositing savings or receiving loans greater than Rs. 25 lakh.
* Based on the affiliation of High-Ranking Persons (PEPs).
* Institutions operating in areas that may be high-risk based on geography.

5. Preparation of Details:

The Anti-Money Laundering (Prevention) Unit will coordinate with various sections and prepare a list of the following details:

* Cooperative institutions based on annual transactions.
* Cooperative institutions that have formulated and implemented internal procedures.
* Cooperative institutions that have been monitored and inspected.
* Institutions for which Provincial and Local levels have requested monitoring and inspection.
* The AML law compliance status of cooperative institutions that have completed intensive monitoring.
* Institutions designated for intensive monitoring in the current fiscal year.
* Complaints received regarding money laundering.

6. Reporting and Action:

a. The Anti-Money Laundering Unit shall prepare and submit a report with clear details on on-site and off-site supervision to the Section Chief and Registrar within the 15th of every month.

b. Based on the received report, compliance with the provisions the institution must follow will be checked, especially on the following subjects:

\* Whether a procedure has been formulated.

\* Whether registered in the FIU's goAML and sending TTR/STR reports.

\* Whether a Compliance Officer has been appointed.

\* Whether the procedure has been updated.

\* Whether a risk assessment report has been prepared.

\* Status of member identification and verification.

\* Whether the Board of Directors conducts regular reviews.

c. Institutions that have not complied with the important provisions above will be asked for clarification as per the "Direction issued to Cooperative Societies and Associations regarding Anti-Money Laundering (including fourth amendment), 2074," and further action will be advanced based on the received reply.

d. Institutions that have complied with the important provisions but have partial compliance pending will be given a direction to complete the pending compliance.

**7. This guideline shall come into force from Jestha 1, 2082 (May 15, 2025).**