

SIBL Islamic Credit Card
COVERS THE WORLD AROUND YOU

* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬৯২০০৯২২

Star BUSINESS

DHAKA FRIDAY OCTOBER 14, 2016, ASHWIN 29, 1423 BS

Sonali Bank UK fined £3.25m for money laundering offences

STAR BUSINESS REPORT

Sonali Bank (UK) Ltd maintained transactions in favour of politically exposed persons without doing adequate due diligence and allowed suspicious money transfers from branches.

The irregularities at the government-owned bank's subsidiary in the UK were exposed by the Financial Conduct Authority on Wednesday.

The financial watchdog also slapped a fine of £3.25 million (Tk 31 crore) on SBUK. The financial penalty must be paid in full by 26 October, 2016.

Finance Minister AMA Muhith said he has not seen any document on the issue and only came to know about it from media reports.

"If there is any fine, it has to be paid," Muhith told reporters at the secretariat, adding that it is solely a matter of Bangladesh whether it will take steps against the people responsible.

The government of Bangladesh owns 51 percent of the company, while the remaining 49 percent is held by Sonali Bank Ltd.

The FCA has imposed a restriction, preventing the bank from accepting deposits from new customers for 24 weeks.

It found the serious and systemic weaknesses affected almost all levels of its anti-money laundering control and governance structure, including its senior management team, money

সোনালী ব্যাংক (ইউ কে) লিমিটেড
SONALI BANK (UK) LTD

KEY POINTS

- The bank has weak anti-money laundering control
- It has poor record keeping in correspondence banking
- Staff did not report suspicious activities properly
- The bank is banned from taking deposits from new customers for six months
- Financial penalty must be paid in full by Oct 26
- The bank to close Bradford branch in Dec

laundering reporting function, oversight of branches and AML policies and procedures.

For example, one customer who was identified by SBUK as a politically exposed person (PEP) and whose income had been noted in 2007 as £20,000 per year had made a number of significant cash and cheque deposits.

SBUK had failed to consider whether these deposits were commensurate with his earnings and, accordingly, whether the account activity posed increased AML risks.

Until 2014, SBUK did not conduct routine screening of its customer list to identify PEPs.

Although checks were carried out

for new customers, SBUK failed to identify some customers who should have been assessed as PEPs.

Even when SBUK identified a customer as a PEP, it did not always carry out adequate due diligence.

In one case, the bank failed to identify that several PEPs sat on the board of one of its clients and failed to consider publicly available information concerning corruption investigations involving the customer.

The FCA said staff did not report suspicious activity appropriately although it was the responsibility of SBUK staff members to refer any suspicious activity to the MLRO department by completing a suspicious activity report (SAR).

Throughout the primary relevant period, from August 20, 2010 to July 21, 2014, the bank's staff made very low levels of SAR submissions.

The bank accepted the explanation given as sufficient without any challenge.

SBUK was notified following the 2010 visit that its correspondent banking files contained very poor records.

Then later in October 2012, the MLRO identified that the files were "in a mess".

Despite this, a full review of correspondent banking relationships was not carried out until December 2013, at which point four relationships with correspondent banks were suspended as a result of AML issues.

READ MORE ON B3

PGCB signs \$1.1b deal with China firm to upgrade power network

STAR BUSINESS REPORT

China's Jiangsu Etern Co Ltd has signed a deal worth \$1.1 billion with the Power Grid Company of Bangladesh Ltd to expand, rebuild and upgrade Bangladesh's nationwide electric network, Etern said yesterday.

PGCB Managing Director Masum-Al-Beruni confirmed the deal, which was signed in Dhaka on Monday.

The deal comes ahead of Chinese President Xi Jinping's visit to Bangladesh.

Under the agreement, some 41 new substations will be set up and new electricity lines stretching 1,000-km will be built while the capacity of 60 old substations will be augmented through modernisation and upgrade, according to the website of PGCB.

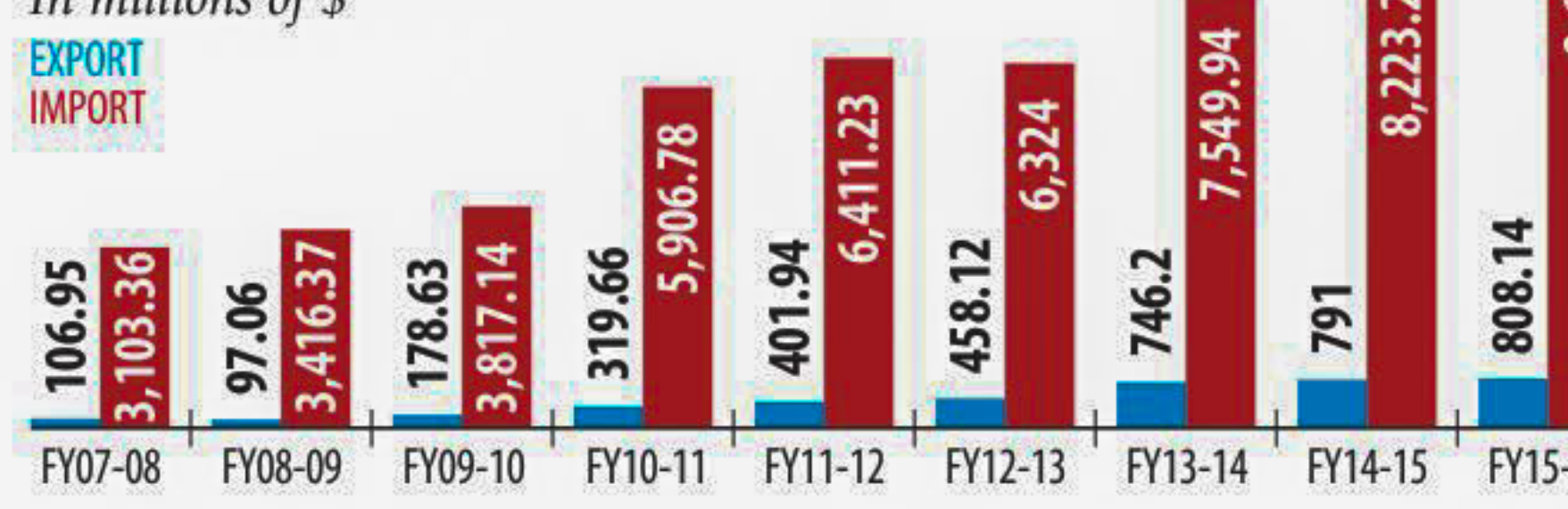
Once the project is completed, it would add 10,000 megawatts of transmission capacity to the existing network, Beruni told The Daily Star.

Etern said Bangladesh has applied for concessionary loans from China for the project, which is the latest addition to Xi's "One Belt, One Road" plan, reported Reuters.

READ MORE ON B3

7 Chinese firms look to invest in Bangladesh

TRADE WITH CHINA



STAR BUSINESS REPORT

Seven Chinese state-owned companies signed investment and import agreements worth \$186 million with 13 Bangladeshi companies yesterday, aiming to boost bilateral trade.

Of the Bangladeshi companies, 12 are from the private sector; the one state-owned company is Bangladesh Jute Mills Corporation, said Abdul Matlub Ahmad, president of the Federation of Bangladesh

Chambers of Commerce and Industry, at the signing ceremony at Sonargaon Hotel in Dhaka.

Most of the Chinese investment will be made in the jute and jute goods, and leather sectors as Bangladesh has been putting efforts to revive these areas, Ahmad said.

The Chinese investors will also purchase jute and jute goods from different Bangladeshi companies under the agreements, he added.

READ MORE ON B3

PowerChina to build economic zone in Ctg

STAR BUSINESS REPORT

A Chinese company yesterday inked a primary deal with Beza expressing its intention to set up a special economic zone to manufacture machinery and spare parts needed to install a power plant.

Power Construction Corporation of China or PowerChina submitted a proposal to Bangladesh Economic Zones Authority seeking 150 acres at Mirsarai

Economic Zone in Chittagong.

The deal was inked a day before Chinese President Xi Jinping's two-day visit to Bangladesh starting this morning.

"It's a great sign for us that big Chinese companies are choosing Bangladesh as their investment destination," said Paban Chowdhury, executive chairman of Beza, adding that they will provide necessary land for the special industrial zone.

READ MORE ON B3

South Asia economic summit begins tomorrow

STAR BUSINESS REPORT

A two-day summit on regional economies will start in Dhaka on Saturday under the theme - "reimagining South Asia in 2030".

The Centre for Policy Dialogue will jointly host this year's conference -- Ninth South Asia Economic Summit -- along with other leading South Asian think-tanks, CPD said in a statement.

The objective of this year's summit is to advance the cause of regional integration in South Asia through discussion and reflections by stakeholders on key issues of interest and concern to countries and people of the region.

Within the overarching broad theme, the ninth summit will focus on a set of cross-cutting issues and a cluster of thematic issues that would deliberate on envisioning South Asia in 2030.

South Asia accounts for only 3 percent of the world's surface area, yet the region is home to about 1.75 billion people, about one-fifth of the world population. By 2030, the region is likely to represent about one-fourth of the world population with India expected to become the largest country in population size, surpassing China by about 2022.

Consequently, South Asia has the highest population density in the world and a majority of its population still resides in rural areas.

READ MORE ON B3



YUNUS CENTRE

Mayor Anne Hidalgo of Paris greets Nobel laureate Professor Muhammad Yunus, outside Lea Canaux before the launch of the social business house on October 10.

Paris names historic building as social business house

STAR BUSINESS REPORT

Paris named a historic building—Les Canaux— as a social business house on October 10 to promote social business in the French capital.

Nobel laureate Muhammad Yunus was invited by Paris Mayor Anne Hidalgo to be the chief guest at the launching, Yunus Centre said in a statement yesterday.

Members of the community, representatives of leading businesses, local mayors of the city and the press attended the ceremony.

The historical building built in 1882 served as the administrative office of the Canals of Paris. It is located on the 19th arrondissement of Paris which is a very vibrant neighbourhood attractive to young people.

The mayor of Paris has designated the office to Yunus Centre so that it can help build social business in Paris.

Yunus Centre has also invited Grameen Creative Lab to set up office in the building. Several other related organisations will be invited later to locate their offices in the building to build up a strong team to initiate social businesses in Paris.

Speaking at the launch, Yunus said this

is a historic initiative of Paris and a very important step to create a new kind of economy that is based on human values.

He stressed that social business can be a tool for young people to create a world of their dreams and imagination, and this House creates an enabling environment for that.

Mayor Hidalgo thanked Yunus for accepting her invitation to lead the social business initiative of Paris and join her in launching the building.

"The Social Business House is an initiative to give young people an opportunity to create their own enterprises and change their own lives and their communities in a sustainable way."

She posted her thanks to Yunus in her official Facebook page, for "standing by start-ups, young entrepreneurs and social businesses in helping create Paris as a global capital for social business".

Les Canaux is a dedicated space for all collaborative, ecological and inclusive actors working in social business in Greater Paris with objectives of generating solutions, acting as a catalyst for development, a show case for sharing experiences and pooling resources, according to a statement of the mayor's office.

MITSUBISHI MOTORS

RANGS

Auto Loan @ 11.00%

Exclusive discounts on vehicle price!!!

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

*Conditions Apply

01712 117 156 ; 01712 839 578