



MERIDIAN FINANCE & INVESTMENT LIMITED

Customer Acceptance Policy

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DOCUMENT AUTHORISATION

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POLICY DEVELOPMENT HISTORY

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| Author | Irteza Ahmed Khan, Deputy Managing Director |
| Policy Approved By | |
| Board of Directors in its 15th Meeting held on March 13, 2017 | |

CUSTOMER ACCEPTANCE POLICY

Selection of Customer is an important factor for Banks and NBFIs. Meridian Finance & Investment Limited (hereinafter read as MFIL) takes into consideration of all the relevant factors for accepting customers like- Customer's background, business/personal activities, business risks, credit worthiness, political influence, social status, other basic information and risk factors.

On the other hand to combat risk of Money Laundering (ML) and Financing of Terrorism (TF) Know Your Customer (KYC) and Customer Due Diligence (CDD) are important tools. Lack of precaution in the above mentioned factors might result in serious customer and counterparty risks, especially reputation, operational, legal and compliance risks. Collection of sufficient information about the customers is the most effective defense for combating ML/TF activities. As per Money Laundering Prevention Act (MLPA)-2012 (amended in 2015) each financial institution (FI) is required to keep satisfactory evidence of the clients. On the other hand, each FI is also required to make necessary arrangement to prevent transactions related to crimes as described in Anti Terrorism Act (ATA)-2009 (as amended up to 2013). It also requires to identify, under these laws, suspicious transactions with due care and diligence. Pursuant to the above legal bindings, Guidance Notes issued by Bangladesh Financial Intelligence Unit (BFIU) on ML/TF and Global standards, MFIL has developed the Customer Acceptance Policy as under:

- a.1) MFIL will comply all the prevailing regulations of MLPA-2012 (amended in 2015) and ATA-2009 (to be amended from time to time) and Bangladesh Financial Intelligence Unit Guidelines relating to establishing financial relationship with customers.
- a.2) Documentation requirements and other information shall be collected in compliance with the instructions contained in BFIU Circular#02 dated July 17, 2002; the requirements of the MLPA-2012 and ATA-2009 and other circulars and guidelines issued/ to be issued by Bangladesh Financial Intelligence Unit from time to time.
- a.3) MFIL will not open or maintain any account or establish any financial relationship with person(s) or organization(s) convicted for terrorism or terrorist financing or listed on the United Nations Security Council Resolution (UNSCR) 1267 & 1373-as individual, entities, alliances - terrorist or terrorist organizations.
- a.4) In case of opening account of a Politically Exposed Person (PEP), MFIL will comply the instructions contained in BFIU Circular#14 dated September 25, 2007 issued by Bangladesh Financial Intelligence Unit. Such types of account will be classified as high risk and will require very high level of monitoring. PEPs account shall be opened with prior permission of the Managing Director.
- a.5) At the time of opening new account MFIL will take care to seek only such information from the customer which is relevant but not intrusive. As customers profile and information contained therein are confidential documents, those should not be divulged for any other purposes.
- a.6) MFIL will conduct necessary checks before opening a new account so as to ensure that the name of the customers do not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations etc. as declared by the Government authorities.

- a.7) MFIL will collect complete and correct information of identity of the beneficial owners and preserve in the concerned file. A person shall be treated as a beneficial owner if (i) he or she has controlling share of a company or and (ii) hold 20% or more share of a company.
- a.8) MFIL will, in case a customer operate an account on behalf of another person in his/her own name, collect complete and correct information of the person besides the account holders.
- a.9) MFIL will ensure certification/genuineness of the given documents/National ID/Social Security Number/Residence Permit/TIN, independent contact with the customer etc. in case of establishing business relationship with “Non-Face to Face Customer/Non-resident Bangladeshi”
- a.10) MFIL will review the customer’s personal/business background with due diligence before establishing any financial relationship.
- a.11) MFIL, in no cases, will allow any anonymous or fictitious accounts to be opened/ to be continued.
- a.12) Customers’ risk shall be assessed as defined in KYC Profile meticulously and shall review the same at least once in a year or at the time of renewal or providing loan against FDR or new sanction or any other business relationship.
- a.13) MFIL will accept only those customers who can provide documents relating to identity and physical existence of business or residence.
- a.14) The Branches shall not open any account, where MFIL is unable to apply appropriate customer due diligence measures but the branch must be careful to avoid unnecessary harassment of the customer.
- a.15) MFIL will verify identity of the customers using reliable sources, documents etc. but it must retain copies of all references, documents used to verify the identity of the customers.
- a.16) MFIL will comply Uniform Account Opening Form with prescribed KYC at the time of completing account opening formalities as per BFIU Circular Letter#02 dated: March 15, 2015.
- a.17) MFIL will take necessary steps to close existing accounts, where necessary, due to non-cooperation of the customers in providing necessary documents/information required by law/regulatory authority or non-reliability of the information/documents furnished by them. Decision to close an account shall be subject to approval of the Managing Director.
- a.18) MFIL will not do anything that will cause inconvenience to the general public, especially those who are financially or socially disadvantaged.
- a.19) MFIL, in no cases, will deal with any Shell company or Shell bank.
- a.20) MFIL reserves the right to discontinue or close relationship, which in its opinion has contravened the MLPA-2012 and ATA-2009, and any other laws of the Country or indicates suspicious transaction/business.