

other action necessary to prevent money laundering etc [Section 4 of MLPA]. The power of investigation vested in Bangladesh Bank is same as of a police officer [Section 5 of MLPA].

Banks, financial institutions and other agencies are given responsibility to: (1) Maintain true and complete information of identity of all customers, keep five years accounts of transaction of all the clients and supply the same to Bangladesh Bank from time to time and Inform Bangladesh Bank any unusual transaction and suspicious transaction which may be linked with money laundering. Bangladesh Bank has defined the suspicious transaction in AMLD Circular No. 02 of 2002. The definition of money laundering under section 2 (L) will be applicable for the definition of suspicious transaction. The character of such transaction will be: (1) Transactions disproportionate to earning, (2) Transferring money to someone usually unrelated or unknown, (3) Mismatch between the deposit and earning of the account holder, (4) Account holder's delay in submitting details, (5) Avoidance of direct contact, (6) Huge investment in security market disproportionate to earning. Failure to inform may result in monetary punishment or other punishments including cancellation of licence. [Section 19; also AMLD Circular No. 02 of 2002].

However, the present framework contains many flaws. First, the definition of money laundering is problematic. It includes earning/acquiring property through illegal way. This definition is so wide that offences like theft, robbery, decoity, cheating, forgery etc. well defined in the Penal Code, also qualify to be an act of money laundering. Further, it includes illegal transfer, change of nature, concealment of property, acquired or earned through legal or illegal way. This part was added to stop transfer of money by unauthorised channel namely "Hundi." The problem of the second part of the definition is that it imposes serious allegation of money laundering on innocent persons, in particular wage earners. They transfer their hard-earned legal money to their family living in Bangladesh by using some informal channels because the authorised channels are not found reliable. This 'wrong' may not be a crime at all as there is no intention to change black money into white.

Secondly, the power of investigation of suspected money laundering should not be imposed on Bangladesh Bank. As a central bank of the country, it is not supposed to have expertise in criminal investigation.

Thirdly, as stated above, money laundering does not take place only in banks, financial institutions. It takes place in many other institutions. Bangladesh Bank, as a regulator of banks and financial institutions can surely take care of the suspected transaction taking place in banks or financial institutions. However, it is not the proper forum for regulating other business establishments as well because the number of such establishments is huge. However, a wrongdoer may not use the banking channel at all to insert hit black money into the system. He will simply use other remote and less regulated channels e.g. property dealer. He can easily purchase property in cash. This transaction is unlikely to be reported to Bangladesh Bank.

It is not clear, why other regulators e.g. Dhaka Stock Exchange are not given similar responsibilities like Bangladesh Bank with regards to the businesses they regulate. Such regulators normally receive returns e.g. annual reports from the business they regulate. It is desirable that every business establishment should submit their return relating to money laundering to the regulators concerned, as normally they are very concerned about their regulators. Such regulators will be in better position to understand the nature of the business establishments they regulate. They can identify the suspicious transactions more easily than the others can. This will surely work well as wide range of transactions would get covered.

Fourthly, money laundering is a financial crime. Therefore, in order to conduct investigation and taking responsibility of filing complaint properly, some training is required. The police force, in the absence of any training,