

**Know Your Customer Due
Diligence
And
Anti-Money Laundering Policy
Of
Global Bank Limited**



CONTENTS

<u>Particular</u>	<u>Page</u>
<i>Preamble</i>	4
Section A	
<hr/>	
<i>1. Guidelines and Procedures</i>	7
1.1 Customer Due Diligence (CDD)/Know your Customer	7
1.2 Customer Identification Procedure (CIP)	9
1.3. Refusal of Account Opening Request	9
1.4. Specific Identification issues	9
1.5. Proper Record Keeping	10
1.6. Customer Acceptance Procedure (CAP)	11
1.7 Supervision and Monitoring of Transactions	11
1.8. Risk Management	13
1.9. Reporting to Financial Information (Intelligence) Unit at NRB...	14
1.10. Awareness and training to Staff	14
1.11. Complete record Keeping	15
1.12 Categorization of Accounts	15
1.13 Certification of Documents	16
1.14 Information to be preserved	16
1.15 Opening account and required documents	17
1.16 Monitoring of Graded Accounts	17
1.17 Detection of Possible Money Laundering	18
1.18 Suspected Money Laundering	18
1.19 Miscellaneous	18
1.20. Reporting Unusual Transactions	19
1.21 Failure to Report	19
1.22 Not to violate Confidentiality	19
1.23 Not to be liable for providing Information	19

1.24 Tipping Off	20
1.25 Code of Conduct of Employee	20
1.26 Acceptable Identification Documents	20
1.27 Prevention and Cancellation	21
1.28 Amendment	21

Section B

<i>2. Checks and Review</i>	22
2.1 Operations In charge is responsible for	22
2.2 Branch Compliance Officer is responsible for	22
2.3 Compliance Officer at Corporate level is responsible for	22
2.4 All Employees responsible for	23
2.5 Internal Audit is responsible for	23
Annexure 1- An Indicative list of Politically Exposed Persons	24
Annexure 1- Risk Categorizations	25
Annexure 3- Information and Documentations	27
Annexure 4- Details of Credit Facilities availing with other banks	31
Annexure 5- CDD Review Checklist for "Corporate Account"	33
Annexure 6- CDD Review Checklist for "Personal Account"	34
Annexure 7- Questionnaire for Corresponding Bank	36
Annexure 8- Suspicious Transaction Report for Financial Institutions	39
Annexure 9- Internal Record form for Suspicious Transaction Report	41
Annexure 10- Threshold Transaction Report Form	42
Annexure 11- Account Opening Form for "Corporate Client"	43
Annexure 12- Account Opening Form for "Personal and Joint Account"	51

Preamble

This policy has been designed in line with the Money Laundering Prevention Act, 2008 and the KYC AML policy designed by the NBA. Although the bank already has AML KYC policy, the existing policy is proposed to be replaced as the policy was designed before the introduction of Money Laundering Prevention Act, 2008 by the Government of Nepal and also to incorporate new issues and requirements furnished by NBA.

It is extremely important to ensure that monies earned through illegal activities are not run through the financial system in the country for the benefit of the criminals, irrespective of where the crime was committed. Financial Institution's activities cannot remain within the countries only, in order to survive, association with the international Financial Institutions is a must, and we should implement the similar process that adopted to combat the Money Laundering internationally. There have been numerous enquiries received every alternative day from the correspondents/agents Bank regarding our policy and procedures to deal with Money Laundering and to prevent in this area. To satisfy their enquiry and to ensure the Bank is not made a pool for the Money Laundering, we have developed a tool to combat the money laundering activities as well as to safe-guard the financial Institutions from the possible money laundering activities and reputational risk.

The "Asset (Money) Laundering Prevention Act, 2008" prohibits the financial Institutions in collecting deposits which are earned by the customer through illegal sources, the financial Institutions should also not be involved by helping the concealing, transforming, transfers, burying the originating source, or misrepresentation of such illegally earned money. The staff of the Financial Institution should inform immediately the description of such money to the "Financial Information Unit" established according to the "Asset (Money) Laundering Prevention Act, 2008" at Nepal Rastra Bank and the concerned authority to control/monitor deflection of currency or Money Laundering.

FIU is an independent body established by government of Nepal to regulate the policies in for preventing money laundering activities in Nepal in line with international terms. Accordingly FIU has issued a Directive on Prevention Money Laundering. The Directive requires Banks and Financial Institutions to prepare and implement policies/guidelines/manual for prevention money laundering covering detail procedures of customer identification, customer acceptance/transaction, transactions monitoring, reporting, risk management, etc.

General guidelines:

Money Laundering/Combating for Financing Terrorism: Money laundering, the source of illegally obtained funds is obscured through a succession of transfers and deals in order that same funds can eventually be made to appear as legitimate income. Through Money laundering sometimes large amounts of illegally obtained money is given the appearance of having originated from a legitimate source. But it is not necessary that only large amounts are involved in Money Laundering. There are numbers of events where large amounts are broken in to the small and collected ransom at the end, for burying the originating source or for use in criminal activity.

It is also not necessary that the illegally earned money transformed as clean money is called Money Laundering. Legally earned money exchanging hand for the purpose of financing for illegal activities also constitutes Money Laundering. Therefore, the fund involved in the illegal activities at the beginning or at the end can be marked as Money Laundering.

Illegally earned money does not only comprise of the source of money from drug trafficking, prostitution, illegal arms dealing and terrorist activities but also includes money collected through corruption, tax evasion other criminal sources where the owner can not disclose the originating source of fund, e.g. theft, where they are required to clean the money as it has been earned as a legitimate source.

Due Diligence: Due Diligence is a concept involving either the performance of an investigation of a business or person, or the performance of an act with a certain standard of care. The term is more commonly applied to voluntary investigations.

Know your customer (KYC): Know your customer (KYC) is the due diligence and bank regulation that bank must perform to identify their clients and ascertain relevant information pertinent to doing financial business with them. Know your customer policies have becoming increasingly important globally to prevent theft, fraud, money laundering and terrorist financing.

One aspect of KYC checking is to verify that the customer is not on any list of known fraudsters, terrorists or money launderers, persons regarded as high-risk owing to negative reports in the media about them or in public records.

Risk Category

High Risk: High risk profiles include those countries identified as 'High risk' by international agencies concerning money laundering, drug, terrorism, propensity or history of public corruption, organized crime, fraud, human rights abuses, non-existent or inadequate financial regulation, fictitious or non recognized jurisdictions that issue fraudulent financial services licensing, and international sanction (including special measures, financial havens with banking secrecy uncooperative tax havens, weak regulatory framework for alternative remittance systems, and offshore financial centers). This list also includes alerts for pseudo official or non-governmental jurisdictions or entities that issue camouflage or spurious passports. Indicative list of High Risk business or person is given in Annex - 1

Shell Entities: A shell Entity serves as a vehicle for business transactions without itself having any significant assets or operations. Shell corporations are not in themselves illegal and they may have legitimate business purposes. However, they are a main component of the underground economy, especially those based in tax havens.

A classic tax avoidance operation is based on the buying and selling through tax haven shell companies to disguise true profits. The firm does its international operations through this shell corporation, thus not having to report to its country the sums involved, avoiding any taxes.

Non-residential: A non-resident Nepali is a Nepali citizen who migrated to another country, a Nepali origin who was born outside Nepal, or a Nepali origin who resides outside Nepal. This often includes Nepali-born individuals (and also people of other nations with Nepali ancestry) but obtained citizenship of other countries.

A Person of Nepali Origin is usually a person of Nepali origin who is not a citizen of Nepal. This category includes foreign spouses of Nepali nationals, regardless of ethnic origin.

Compliance Officer

Compliance Officer is designated at the Head/Corporate Office to assure day-to-day compliance with the Anti-Money Laundering Policy and Customer Due Diligence-Know Your Customer Procedure of the Bank.

Reasons for the need of Anti-Money Laundering Policy

There are seven main reasons why the bank needs to maintain tight controls to avoid its involvement in money laundering:

- ❖ To protect from discredit, the Bank should not have any kind of, either consciously or unintentionally, association with the criminals or to facilitate them in handling the proceeds of crime.
- ❖ To protect from the criminals, as involvement with criminals will put the Bank at risk of being itself the target of fraud.
- ❖ To build up good image that the Bank accepts customers whose source of wealth and funds can be reasonably established to be legitimate and who do not pose an operational or reputational risk to the Financial Institution.
- ❖ The “Asset (Money) Laundering Prevention Act, 2008” has forbidden accepting and allowing movement of fund which are not generated from a legal way. The Bank official who came to know such funds are with the Bank or any person trying to move the fund through the Bank’s channel should inform the Financial Information Unit or to any authority mentioned in the prevailing law in the country, immediately and such funds may be confiscated.
- ❖ The Financial Institution cannot sustain without having compliance with the requirement of local law and those international Financial Institutions. The Financial Action Task Force (FATF) established by countries of the Group of Seven (G7) has come up with strong recommendation on cracking down the ring of the criminals and criminal activities.
- ❖ To protect the staff of Bank and Financial Institution from unforeseen risks from Money Laundering.
- ❖ To protect Bank and Financial Institutions from the abuse of criminals.

Effective internal controls

- ❖ Procedures have been drawn up to implement Anti-Money Laundering regulations taking into account the circumstance and requirement of the country.
- ❖ These procedures will be communicated to staff and shall form a part of the terms and conditions of employment of all staff.
- ❖ Staff are required to confirm and declare that they have read and understood the policy.
- ❖ The designated Compliance Officer of this policy shall confirm periodically and/or on need basis that procedures are being effectively implemented.

Section A: Procedures

1. Procedures

1.1 Customer Due Diligence (CDD) / Know Your Customer

The Bank has formulated CDD policies incorporating following key elements:

1.1.1 The importance of ensuring that the Bank has adequate controls and procedures in place so that all customers being dealt with, or with whom a relationship is established, are adequately known to the Bank. Due diligence exercise of new and existing customers is a key for controlling money laundering activities. Without due diligence, the Bank may be attracted of Reputational, Operational, Litigation and Concentration risks resulting to significant financial loss. The CDD policy should be viewed from a wider and prudential but not just anti-money laundering perspective. Sound CDD procedures must be seen as a critical element in the effective management of Bank's risks. CDD safeguards go beyond simple account opening and record-keeping and require the Bank to formulate a customer acceptance policy and a tiered customer identification program that involves more extensive due diligence for higher risk accounts, and includes proactive account monitoring for identifying suspicious activities.

1.1.2 The Bank has formulated KYC policies incorporating following key elements:-

- ❖ Customer Identification Procedures (CIP)
- ❖ Customer Acceptance Policy (CAP)
- ❖ Customer Transaction Monitoring Procedures (CTMP), (on-going monitoring of accounts as per their high risk grade, and
- ❖ Risk Management (RM)

1.2 Customer Identification Procedures (CIP)

1.2.1 The Customer: The person or entity that maintains an account with the bank or those on whose behalf an account is maintained i.e. beneficial owners; any person or entity connected with a bank that may impose significant reputational or other risk to the Bank.

1.2.2. Customer identification: A process of identifying the customers and verifying their identity by using reliable, independent supporting documents, data or information. The Designated staff must obtain sufficient information to establish the identity of each new customer along with purpose of the intended nature of relationship.

1.2.3. Being satisfied means that the person responsible must be able to satisfy the competent authorities that due diligence was observed based on the risk profile of the customer in compliance with the extant guidelines in place. Such a risk based approach is considered necessary to avoid disproportionate cost to the Bank and a burdensome regime for the customers. Besides the risk perception, the nature of information/documents required would also depend on the type of the customer.

- 1.2.4. For customers who are natural persons, the designated staff shall obtain supporting identification documents to verify the identity and address/location of the customer along with recent photograph.
- 1.2.5. In case of legal entities, Bank shall deal only with customers who are engaged in legitimate personal or business activities. The Bank shall establish to its satisfaction that it is dealing with a real person or legally artificial person having proper identification and existence (natural, corporate or legal) and verify the identity, if required, of those persons who have power to operate a bank account.
- 1.2.6. The customer must be physically presented at the Bank and seen personally by designated staff of the Bank. Verification of the original citizenship certificate and/or passport must be done on face to face. When it is not possible to see the client and/or verification of identification evidence, the authority designated for approval of the Account Opening must note down the same on the application itself.
- 1.2.7. In the case of joint account holders, where surname and/or address of the account holders differs the name and address of all account holders must be verified and recorded.
- 1.2.8. When dealing with accounts operated under Power of Attorney customer identification procedures and verifications of residential address will be applied to both the customer and to those of authorized person.
- 1.2.9. Full details along with photograph of the guardian must be obtained while opening "Minor Account" along with the birth certificate of the minor.
- 1.2.10. Due diligence of the beneficiary ownership should be given when the transaction from "Trust Account" and Non Government Organization is done.
- 1.2.11. Prior to establishing a relationship with a customer, basic background information shall be obtained concerning the nature of the customer's business and sources of income, expected level of turnover/transactions of the account and reasons for opening the account. A separate sheet should be used for obtaining such information. The information may not be required to jot down simultaneously while interviewing the client. But this information must be a part of the documents to make a complete set of the documents required.
- 1.2.12. The information of the customer shall be updated on a periodically basis, for the low risk category client and on quarterly for the customers graded as high risk.
- 1.2.13. Transactions on accounts shall be monitored for consistency with the expected normal activity as specified by the customer or subsequently updated by the Bank.
- 1.2.14. Account opening for one off transaction must be avoided.
- 1.2.15. A request to close the account within three months of the opening should be reported to the Operations In Charge with full transaction details. The Operations In Charge shall review the reason for closing the account.

1.2.16. Any exceptions to customer identification procedures, or cases not explicitly provided for, shall be approved by Corporate Office. And reasons of such exceptional treatment must be documented.

1.3. Refusal of Account Opening request

When staff designated to open new accounts finds the ground that the prospect client is not disclosing, the reason for opening account and transaction volume, it should be referred to the Operations in charge in the branch. The Operations in charge/ Branch Manager should give decision on refusing to open such account. This should be properly documented.

The Operations in charge/ BM in the Branch should:

1.3.1 Verify the legal status of the legal person/ entity through proper and relevant documents.

1.3.2. Verify that any person purporting to act on behalf of the legal person/entity is so authorized to identify and verify the identity of that person and

1.3.3. Understand the ownership and control structure of the customer and determine the natural persons who ultimately control the account of a legal entity.

1.3.4. The process elaborated for identifying the customer may not be applicable in all the cases, as the nature and types of the customer varies from person to person. Since the Operations in charge/ BM in the Branch deals directly with the various types of customers he/she may have gained a unique procedure or extra element of caution. Operations in charge/ BM in the Branch may, therefore, frame their own internal guidelines based on their experience of dealing with such persons/entities, normal prudence and the legal requirements. Such guidelines formed will have to be consulted prior to approval of the Compliance Officer for any implementation.

1.3.5. The Bank should not open banking account of a Shell company.

1.3.6. When an account has been opened, but problems of verification arise in the banking relationship which cannot be resolved, the Operations in charge/ BM at the Branch level should immediately inform the Compliance Officer at the Head Office before closing the account.

1.4. Specific Identification issues:

1.4.1 Trust, nominee and fiduciary accounts: Trust, nominee and fiduciary accounts may be used to circumvent customer identification procedures. While extra layers of security to protect the confidentiality of bank's legitimate customers, it is essential that the true relationship is understood. Operations in charge/ BM should establish whether the customer is taking the name of another customer, acting as a "front", or acting on behalf of another person as trustee, nominee or other intermediary. If so, a necessary precondition is, the receipt of satisfactory evidence of the identity of any intermediaries, and of the persons upon whose behalf they are acting, as well as details of the nature of the trust or other arrangements in place. Specifically the identification of a trust should include the trustees, settlers/grantors and beneficiaries.

1.4.2 Corporate Business: Operations in charge/ BM should be vigilant in preventing corporate business entities from being used by natural persons as a method of operating anonymous accounts. Operations in charge/ BM in conjunction with the respective Unit Head/Relationship Manager/Relationship Officer, should understand the structure of the company, determine the source of funds, and identify the beneficial owners and those who have control over the funds.

1.4.3 Politically Exposed Persons (PEP): Accepting and managing funds from corrupt PEPs damage the Bank's reputation and may undermine public confidence in the ethical standards of entire financial sector, since such cases usually receive extensive media attention and strong political reaction, even if the illegal origin of the assets is often difficult to prove. Operations in charge/ BM should gather sufficient information from a new customer, verify with the list updated for PEPs and Associates, and also check publicly available information, in order to establish whether or not the customer is PEP. It should be understood that the bank cannot deny opening the account of the PEP and their associates on the basis of just being a PEP and Associates rather the risk category, for such accounts would be higher. However, once the person is identified as PEP or Associated the Operations in charge/ BM should investigate the source of funds before accepting the account of a PEP. The decision to open an account for PEP should be taken by Branch Manager/ Unit Heads/ Relationship Manager or CEO of the Bank.

1.4.4 Correspondent Financial Institution

Bank will gather sufficient information about their respondent Financial Institutions to understand fully the nature of the respondent's business. Factors to be considered will include information about the respondent Financial Institution's management, major business activities,

- a). location of the business,
- b). its money laundering prevention and detecting efforts,
- c). the purpose of the account,
- d). effective customer acceptance and CDD policy,
- e). the correspondence Financial Institution should not be a shell Financial Institution.
- f). the correspondence Financial Institution should not be located in Non-Cooperating-Countries and Territories.
- g). the identity of any third party entities that will use the correspondent Financial Institution services,
- h). the condition of Financial Institution regulation and supervision in the respondent's country

1.5. Proper record keeping

To ensure that records remain up-to-date and relevant, there is a need for the Bank to undertake regular reviews of existing records. An appropriate time to do so is, when:

- a transaction above the threshold takes place,

- throughput transaction exceeds,
- the number of transaction decreases substantially,
- Customer documentation standards change substantially, e.g. frequently changes of, account operator, Share Holders, Changes of the owner and address of the organization.
- there is a material change in the way that the account is operated All the documents pertaining to the transaction with the client and records pertaining to account opening must be preserved at least 5 years from the date of cessation of the transaction with the client.

1.6. Customer Acceptance Policy (CAP)

The Customer Acceptance Policy and its implementation are not to make operations too restrictive and as a result in denying of services to the general public. Nor can the Bank project any intrusive behavior on the transaction done by the client.

The Bank has developed a clear Customer Acceptance Policy laying down the following explicit criteria for acceptance of customers:

- 1.6.1 Account will be opened only in Natural Person's name or Artificial Person's name, exactly the same as appearing in the Citizen Certificate/Passport or in Registration Certificate that has been registered in the government/government approved entities. No account is opened in anonymous or fictitious/blank name(s); or in confidentially numbered accounts.
- 1.6.2 The minimum information and documents to be collected from the customer for opening the account, purchase of foreign draft, transfer of funds by any media, accepting the fund by the customer from any media, or any transaction with the client for whatsoever reason, has been mentioned in Annex-3.
- 1.6.3 Additional information required to be obtained from the client while establishing borrowing relationship has been mentioned in Annex – 4.
- 1.6.4 No account shall be opened by an intermediary for third person,
- 1.6.5 Non-face-to-face customers' account will not be opened. (The account opened by the Bank's agent will be treated as the account opened by the staff itself.)

1.7. Supervision and Monitoring of transactions

Ongoing monitoring is an essential element of effective CDD procedures. Operations in charge/ BM can effectively control and reduce the risk only if they have an understanding of the normal and reasonable activity of the customer so that they have the means of identifying transactions that fall outside the regular pattern of activity. However, the extent of monitoring will depend on the risk sensitivity of the account. Operations in charge/ BM shall pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose. The concerned Branch Manager may be prescribed with threshold limits, if required, for any accounts he/she is concerned with and pay particular attention to the transactions which exceed these limits. This must be explicitly reflected in the CDD form.

The followings are the illustrative example of activities that require special attention of Operations in charge:

- 1.7.1. Transaction that does not appear to make economic or commercial sense,
- 1.7.2. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer
- 1.7.3. Very high account turnover inconsistent with the size of the balance maintained.
- 1.7.4. All transactions of Rs.1.0 million and above.
- 1.7.5. Any other activities that senses require the Operations in charge to be alert e.g. a transaction above the threshold takes place etc, throughout transaction exceeds,
- 1.7.6. the number of transaction decreases substantially,
- 1.7.7. High-risk accounts have to be subjected to intensive monitoring. All Operations in charge/ BM should set key risk indicators for such accounts, taking note of the background of the customer, such as the sources of funds, the type of transactions involved and other risk factors. Operations in charge/ BM should put in place a system of periodical review of risk categorization of accounts and the need for applying enhanced due diligence measures. Operations in charge/ BM should ensure that a record of transactions in the accounts is preserved and maintained. It may also be ensured that transactions of suspicious nature and/or any other type of transaction notified are reported to the Compliance Officer at Central Level, immediately.
- 1.7.8. Operations in charge/ BM should ensure that their branch continue to maintain proper record of all transactions of Rs.1 million and above. The teller who processes the cash transaction of Rs. 1 million and above will seek the help of their supervisor for getting additional information from the customer regarding the sources/utilization of the fund being processed. The internal monitoring system will have an inbuilt procedure for reporting of such transactions and those of suspicious nature to Head Office immediately. The borrowing customers / deposit customers having high cash transaction will have to be identified by the Compliance Officer and must be noted in the CDD form so that the tellers and the supervisors are aware of the same.
- 1.7.9. Reporting of suspicious transactions: Any staff who identifies suspicious nature transaction(s), as mentioned in FIU guidelines should report immediately to the Compliance Officer at Central level directly with details. Such suspicious transactions shall be immediately brought to the notice of CEO.
- 1.7.10. Submission of information

Operations in charge/ BM shall submit information of the customer to the Compliance Officer at central level immediately regarding:

- ❖ Suspicious transaction,
- ❖ increase or decrease of the transaction unusually,

- ❖ Receipt of funds from abroad through remittance or any other method,
- ❖ sources of funds not clear or disclosed,

1.7.11 Due Diligence for the Existing Accounts: Operations in charge/ BM shall develop program, to gradually update the CDD norms to all the existing customers in a time bound manner.

1.7.12 After the existing account is grouped according to the risk categorization, the Operations in charge/ BM shall monitor the account accordingly. However, transactions in existing accounts, before grouping as mentioned above, will be continuously monitored by Operations in charge and any unusual pattern in the operations of the account should trigger a review by the Operations in charge. It may, however, be ensured that all the existing accounts of companies, firms, trusts, charities, religious organizations and other institutions are subjected to minimum CDD standards which would establish the identity of the natural/legal person and those of the 'Beneficial owners'.

1.7.13 Where the Operations in charge/ BM is unable to apply appropriate CDD measures due to non-furnishing of information and /or non-cooperation by the customer, he/she will have to discuss the same with Unit Head/and Compliance Officer and once all agree to the same, the Operations in charge/BM will issue due notice to the customer explaining the reasons for taking such a decision.

1.8. Risk Management

The Bank shall ensure that an effective CDD program is in place by establishing appropriate procedures and ensuring their effective implementation. It shall cover proper management oversight, systems and controls, segregation of duties, training and other related matters. Operations in charge/ BM in consultation with Compliance Officer at Corporate Office may devise procedures for creating risk profiles of their existing and new customers and apply applicable Anti Money Laundering measures keeping in view the risks involved in a transaction, account or business relationship.

1.8.1 Internal Auditor shall specifically check and verify the application of CDD procedures at least once in a year at the branches and comment on the lapses observed in this regard. The compliance in this regard shall be put up to Audit Committee of the Board on quarterly basis.

1.8.2 Compliance Officer shall conduct an ongoing employee training programme so that all banking staff are adequately trained in AMK/KYC-CDD procedures. Training requirements may have different focuses for frontline staff, compliance staff and staff dealing with new customers. It is important that all those concerned fully understand the rationale behind the AMK/KYC-CDD policies and implement consistently. All banking staff must receive training on AMK/KYC-CDD policy and requires signing in the form stating that he/she read and understood the AML/KYC-CDD policy of the Bank.

1.8.3 Customer Awareness: Implementation of CDD procedures requires Compliance Officer to demand certain information from customers which may be of personal nature or which have hitherto never been called for. This may sometimes lead to a

lot of questioning by the customer as to the motive and purpose of collecting such information. There is, therefore, a need for Operations in charge/ BM to prepare specific literature/ pamphlets, etc. so as to educate the customer on the objectives of the CDD program. The front desk staff needs to be specially trained to handle such situations while dealing with customers.

1.9. Reporting to Financial Information (Intelligent) Unit at Nepal Rastra Bank

Compliance Officer is required to report information relating to suspicious transactions to the Board of Directors, and/or to Financial Information Unit at Nepal Rastra Bank, as per the Directive issued by Financial Information Unit from time to time. Such information is required to publish in the Annual Report also.

Recognition and reporting of suspicious transaction/details as follows:

- 1.9.1. Staff must be continuously alert to unusual or suspicious transactions. Suspensions should be aroused for example by transactions that do not make good commercial sense,
 - 1.9.2. Activities that appear inconsistent with the customer's declared expected activity,
 - 1.9.3. Activities that may be indicative of drug trafficking, terrorism and other crime
 - 1.9.4. Structuring of transactions to obscure audit trails, evade identification or obstruct record keeping.
 - 1.9.5. Staff is required to report suspicious promptly, in writing to the Compliance Officer who shall review the activity and determine whether a report should be made to the Nepal Rastra Bank or the authority dealing with controlling deflection of currency.
 - 1.9.6. Staff member should provide the Compliance Officer and the person designated by him with access to all customer information within the Bank 's possession, at his request or to the person designated by him.
 - 1.9.7. The Bank will co-operate fully with all law enforcement activities and investigations within the scope of applicable laws and in consultation with the Bank 's legal Department.
 - 1.9.8. Staff member is required to be careful not to alert, either directly or indirectly any person suspected of illegal activity or subject to a suspicious report to Compliance Officer.
 - 1.9.9. The job of vigilance about the customer is not confined to the person responsible for opening the account or Branch Manager. It applies to all the staff from all level.
- #### 1.10. Awareness and training of staff
- 1.10.1. All Banking staffs are to be made aware of their statutory and regulatory obligations.
 - 1.10.2. Initial training is to be provided to all staff on the nature of money laundering / financing terrorism and the Bank 's controls to counter it. This will be updated as appropriate at least annually and on changes of responsibilities.

1.10.3. Staff will be required to sign a memorandum, upon initial receipt and annually thereafter, confirming that they have read and understood the bank's anti-money laundering policies and procedures.

1.10.4. Staff may be tested on their understanding of AML/KYC-CDD policy and procedure on a periodical basis.

1.11. Complete record keeping.

1.11.1. Customer identification information must be completed on all customer files. This is the responsibility of the designated Staff for prevention of Money Laundering. If for any reason the customer identification information requirements are not met in full, then the reasons why the Bank has been able nevertheless to satisfy itself that the requirements of the legislation are met will be documented by the Operations in charge/ BM at the Branch Level.

1.11.2. Customer identification and transaction documentation will be retained for at least 5 years after the closing of the account for any reason.

1.11.3. Records will be kept of all suspicion reports made by staff and of all reports to the Financial Information Unit and/or authority for controlling deflection of currency. Where a suspicion report does not result in a report to the Financial Information Unit or authority for controlling deflection of currency the reasons for that decision will be documented.

1.11.4. Records will be kept of all training given to staff including the date of the training nature of the training, and names of staff attending. Staff will sign for having received training.

1.12 Categorization of Accounts:

While opening the account, the client will be categorized as

- i) Low Risk Account (Category A)
- ii) Medium Risk Account (Category B) and
- iii) High Risk Account (Category C).

The categorization has been illustrated in Annex – 1 depending upon Volume of turnover, social and financial status, etc. to enable categorization of customers:

1.12.1. Documentation requirements and other information must be collected in respect of different categories of customers depending on perceived risk and keeping in mind the requirements of Nepal Rastra Financial Institution guidelines issued,

1.12.2. The decision for refusing the request to open an account in the absence of minimum documents required shall be done by Operations in charge/ BM. However, if an account has been opened with an understanding that the required document shall be submitted later and such account(s) are required to be closed as the client refused to submit the required document or was unable to verify the identity and/or due to non-reliability of the data/information furnished, the account shall be closed only after obtaining approval from Operations in charge/ BM. Closure of such

account should be informed to all the branches so that the account(s) of such person/unit will not be opened by other branches. While the account is opened on the basis of the recommendation of any authority of the Bank in the absence of one or more documents required as mentioned in the list of the documents required and as per the practice of the Bank, the account will be opened but it will be blocked for debit transactions. The concerned authority should submit the required documents within one month from the account opening date. If the documents are not received within one month the process for account closure will be initiated. However, the account must be closed within three months of its opening if the account can not be regularized.

1.12.3. Circumstances, in which a customer is permitted to act on behalf of another person/entity, should be clearly spelt out in conformity with the established law and practices, as there could be occasions when an account is operated by a mandate holder, and

1.12.4. Necessary checks before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations, etc. have to be conducted. For this purpose, "Negative List" and "Sensitive Person(s)" shall be prepared at the Corporate Office for circulation globally. The branch and all staff shall contribute by providing information to make this list a complete list as far as possible. Inclusions into these lists shall be made by Operations In Charge/ BM at regular intervals and circulated as and when necessary.

1.13. Certification of documents:

1.13.1. Any single staff or a group of staff shall be designated in the branches/units for certifying the document submitted by the client. The designated person will verify with the original document and affix the signature as confirmation of the documents verified by him/her.

1.13.2. A profile of customers' identity, social/financial status, nature of business activity, expected volume of transaction and turnover and the location of the client will be prepared for Category 'C' customer. The nature and extent of due diligence shall depend on the risk perceived by the designated staff for prevention of Money Laundering. However, while preparing customer profile the Operations In Charge / BM shall take care to seek only such information from the customer which is relevant to the risk category and is not intrusive. The customer profile will be a confidential document and details contained therein shall not be divulged other than banking purpose.

1.14. Information to be preserved

The Bank shall take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities.

The Bank will maintain the following information in respect of transactions:

- the nature of the transactions;
- the amount of the transaction and the currency in which it was denominated;
- the date on which the transaction was conducted; and
- the parties to the transaction.
- Sources of fund above one million rupees.

1.14.1. Compliance Officer should ensure that records pertaining to the identification of the customer (as mentioned in documents required to open an account) and his address (e.g. copies of documents like passports, identity cards, driving licenses, PAN, utility bills etc.) obtained while opening the account and during the course of business relationship, are properly preserved for at least five years after the business relationship is ended. The identification records and transaction data should be made available to the competent authorities upon request.

1.15. Opening Accounts and the Required Documents:

1.15.1. When opening an account, the staff should ensure obtaining all information and necessary documents which include: the full name of the account holder, the current address and place of work as well as the physical verification of the Citizenship Certificate and/ or Passport and keeping a copy thereof initialed by the account opening officer under an "authenticated true copy of the original".

1.15.2. The Bank should obtain all information and documents with regard to juridical persons, particularly a copy of the renewal of firm registration, whose renewal date should be registered, in order to maintain a copy of the valid license in the Bank's files at all times. The Bank should also obtain the name and address of the account holder, as well as the names and addresses of the partners. With regard to public shareholding companies, the Bank should maintain the names and addresses of shareholders whose shareholdings exceed 1 %.

1.15.3. With regard to cooperative societies or charitable, social or professional societies, the Bank should not open any accounts except for those societies which submit an original certificate, signed by the Registrar of District Administration Office, confirming their identities and allowing them to open Financial Institution accounts and having tangible existence.

1.15.4. All subsequent changes in the information provided on account holders should be updated regularly

1.15.5. It is strictly prohibited to open accounts with assumed names or numbers. The Bank should always rely on the account holder's name as in the Citizenship Certificate or passport in the system, in case of organization, registration certificate, Tax/PAN certificate.

- 1.16. Monitoring the Graded accounts.
 - 1.16.1. Branch Compliance Officer must review the accounts as per the time frame given below and the report should be submitted to the Compliance Officer.
 - 1.16.2. Customers' accounts graded under CAT A shall be reviewed in annual basis, accounts under CAT B on half yearly basis and accounts under CAT 'C' on quarterly basis or as prescribed by the FIU Directives issued from time to time.
 - 1.16.3. Not only the account graded CAT C should be reviewed but also any movement in the account be monitored for originating and applying of the fund to and from the account.
 - 1.16.4. The movement of the fund in any account should be vigilant irrespective if categorization of account under any risk grade.
- 1.17. Detection of possible Money Laundering
 - 1.17.1. With regard to non account holders who wish to pay by cash for transfers/drafts, branches should carefully and systematically verify the identity of any of such customers in all cases where the value of a transaction reaches NPR 1 million or equivalent in other currencies.
 - 1.17.2. In this context, the identification normally includes customer details such as the name and full address of the beneficiary, the physical checking of the customer's actual identification card and on copy of such identification signed by the customer and the Supervisor of handling the transaction.
 - 1.17.3. In case of receiving a transfer/draft to be paid in cash or in the form of travelers' cheque to non-account holders, and its amount is NPR 1 million or equivalent in other currencies or more,
 - 1.17.4. Where cash funds or travelers' cheque are to be deposited into an existing account by a person/(s) whose names do not appear on the mandate for that account, or are not the usual employees or messengers of the account holder, particular attention and prudence are required. All concerned handling the transaction must ensure that the transaction is legitimate.
 - 1.17.5. If it appears that the transaction is carried-out on behalf of another person, vigilance is required i.e. it becomes necessary to identify that person transacting on behalf of other and record his details on the overleaf of the document/paper.
- 1.18. Suspected Money Launder
 - 1.18.1. In case of a suspected money laundering transaction, the identity of the customer must be verified in the same way as described above.
- 1.19. Miscellaneous:
 - 1.19.1. When Bank accept securities and foreign investment instruments to deposit their value in a customer's account, or to pledge as security for a loan, they should directly verify with the issuer that these are genuine and not forged. Bank should also inquire about the source of the purchase funds if the securities are not forged.

If they were found to be forged or that the source of the funds used in their purchase was illegal, then they should be handed in to the Compliance Officer for reporting to the Nepal Rastra Financial Institution and/or the concerned authority for controlling deflection of currency, after informing the customer.

1.19.2. Despite the fact that the responsibility of verifying the soundness of the source of transferred funds from abroad falls on Financial Institutions abroad as the actual laundering operation would have occurred in the transferring bank however, the cooperation principle necessitates that Bank should exercise prudence and inform the Compliance Officer for reporting to the Financial Information Unit or the concerned authority for controlling deflection of currency.

1.19.3. In case the Financial Information Unit or any competent authority issues a decision to freeze any amount, it should be for a period not exceeding the number of working days as instructed by the Financial Information Unit or any competent authority, with interest at the prevailing market rate.

1.19.4. When the said freezing period expires, the Financial Information Unit or any competent authority would take a decision to lift the freeze, even if no response is obtained from the supervisory authority in the transfer country.

1.20. Reporting unusual Transactions:

1.20.1. Bank, as well as its managers and employees are obliged, personally, to report any unusual transaction aiming at money laundering to,

1.20.2. In order to facilitate the verification process of suspected transactions that are aiming at money laundering and which are carry out via the bank, the branch should report such cases to the Compliance Officer for reporting to the Nepal Rastra Bank, FIU or to the authorities for controlling deflection of currency

1.20.3. Bank should ensure always that their internal control systems operate efficiently and cover appropriately the implementation of this Regulation for Anti-Money Laundering Procedures.

1.20.4. In order to facilitate further inquiries by the competent authorities, any unusual transaction has to be handled with utmost discretion. The Bank or its employees must never contact the customer to inform him of what is going on.

1.21. Failure to Report

1.21.1. Branches that fail to report unusual and suspicious transactions, shall be penalized in accordance with the policy of the Bank.

1.22. Not to Violate Confidentiality:

1.22.1. No Investigation Officer or staff or person involved in the investigation and inquiry shall violate confidentiality of any matter or submitted documents that came to his information in the course of investigation and inquiry or in performing his duty, unless the prevailing laws require so.

1.23. Not to be Liable for Providing Information:

1.23.1. In case any loss occurs to a person because of submission of information to the Financial Information Unit, official of financial institution shall not take any action.

1.24. Tipping Off

1.24.1. Any information provided to FIU or information disseminate to any staff or representative while working in a normal course of work or at the time of providing information to investigating unit shall not be disclosed to any body except mandatory to disclose as per the current Act, Law etc.

1.24.2. Any employee who tips off to the client that their account is under surveillance shall be punished according to the personnel policy as smuggling out the information.

1.25. Code of conduct of employees

1.25.1. The employees filing the suspicious report must not Tip Off. He/she needs to maintain following code of conduct. He/she:

1.25.1.1 Must not inform/warn the customer about the suspicion,

1.25.1.2 Must not talk/disclose with other employees and friends/family.

1.25.1.3 Must comply with the instructions of the competent authority and department head that he/she had reported.

1.25.1.4 Must assist and cooperate with the competent authorities in investigation.

1.25.1.5 The code of conduct has three aspects:

1.25.1.5.1 The relationship with the customer shall not be damaged if the authorities regard the account transaction as bona fide and,

1.25.1.5.2 If the customer/ transaction found to be act of money laundering, the authority will be in a better position to catch the culprit and there will be less chance of eroding the evidence.

1.25.1.5.3 Employees failing to report suspicious and unusual transaction shall attract legal and disciplinary action.

1.26. Acceptable Identification documents:

Bank shall obtain copy identification documents of customers duly Notarized/Certified by other financial institution/Government authorities or physically verified by authorized staff of the Bank:

1.26.1 Citizenship certificate

1.26.2 Valid passport

1.26.3 Copy of identification certificate issued by Indian Embassy for Indian Nationals

1.26.4 Original certificate issued by CDO, Metropolitan office, Village development office identifying the person and his/her address with photograph.

1.26.5. Any documents/certificate as specified by NRB from time to time.

1.27 Prevention and Cancellation

1.27.1 This policy and procedure is intended to supplement the directives on prevention on money laundering issued by FIU. The provision of the FIU directives will prevail in case of any mismatch between the Policy and FIU Directives. Similarly the rules and regulations prevailed by NRB, FIU from time to time regarding AML/KYC-Due Diligence shall be the integral part of this manual

1.28 Amendment:

1.28.1 Subject to the prevailing rules and regulations of the country and of Financial Information Unit at Nepal Rastra Bank, the process as mentioned above will be revisited under the supervision of Compliance Officer and may be amended/revised as per the requirement(s) with the prior consent of the CEO.

Section B

2. Check and Reviews

2.1 Operations In Charge/ Branch Manager is responsible for:

- ❖ Effective policies and procedures are in place to guard against the Bank becoming involved in money laundering activities
- ❖ A staff is designated for ensuring that anti-money laundering policy implemented in every aspect from account opening to all transactions took place.
- ❖ Suspicion reports are made and acted upon promptly.
- ❖ Policies and procedures are being implemented effectively as communicated from time to time by the Corporate Office.
- ❖ Reporting is in order as required by "Asset (Money) Laundering Prevention Act, 2008" and Guidance issued by Financial Information Unit time to time.

2.2 Branch Compliance Officer is responsible for:

- ❖ to work as a focal point and liaison with Financial Information Unit for effective implementation of this policy.
- ❖ to provide required information to the Compliance Officer at Corporate Office of the Bank, who shall be responsible for vigilant for the suspected transaction.

2.3 Compliance Officer at Corporate level is responsible for:

- ❖ Effective implementation of Rules, Direction, Order, Circular under 'Asset (Money) Laundering Prevention Act, 2008' and other related Act of the country by own self and through other designated staff.
- ❖ To carry out proper identification of Customer by own self and through other designated staff.
- ❖ Update the documentation collected in process for identification of the customers.
- ❖ To update the record of above Threshold Transaction limit and Suspicious Transaction
- ❖ To provide information to the concerned authority as per the existing Act and/or Law.
- ❖ Keeping abreast of all technical and regulatory developments on money laundering and advising Concerned Staff of any changes needed in policies or procedures.
- ❖ Updating policy and procedures to reflect changes in statutory and regulatory obligations of the Financial Information Unit and any Act prevailing in the country or circulations and operational advice,
- ❖ Ensuring that all staffs are aware of their responsibilities and obligations, that they are adequately trained in all relevant aspects of anti-money laundering procedures that records of training are kept, and that staff confirm annually that they have read and understood the policies and procedures set out in the Handbook.
- ❖ Ensuring that policies and procedures are operating effectively and reporting on their effectiveness as per the time frame given to Concerned Staff and account opening personnel.
- ❖ Approving all departures from procedures and recording the reasons why the Financial Institution has been able to satisfy itself that its legal and regulatory obligations are met notwithstanding such departures.
- ❖ Reviewing all suspicious transaction reports and either making a report to Financial Information Unit and authority for controlling deflection of currency or documenting why such a report is considered inappropriate.
- ❖ Representing the Financial Institution on money laundering matters to all relevant external agencies in the country and abroad, ensuring that all reasonable requests for information

are complied with promptly, subject to the Financial Institution's legal responsibilities on customer confidentiality.

- ❖ In consultation with the Financial Institution's legal advisers ensuring that production order or any other legal processes served on the Financial Institution connected with money laundering are complied with.
- ❖ The Compliance Officer will prepare a report on required basis and submit the report to the Board, on CDD and Money Laundering issue. A Separate report shall be submitted for the Money Laundering issue surfaced by the Compliance Officer on case to case basis.
- ❖ The Compliance Officer will submit report to authority as required by "Asset (Money) Laundering Prevention Act, 2008" and Guidance issued by Financial Information Unit time to time.

2.4 All Employees are Responsible for:

- ❖ Reading and ensuring that they understand the policies and procedures, signing to acknowledge that they have done so and providing an annual re-confirmation or within the time frame given to this effect.
- ❖ Complying fully with all anti-money laundering procedures including in respect of customer identification, account monitoring, record keeping and suspicion reporting.
- ❖ Being alert at all times to the possibility of money laundering and reporting all suspicious or unusual transactions to the Compliance Officer.
- ❖ Making effective use of training given seeking additional training where necessary and confirming receipt when training is given.
- ❖ Being aware that violation of money laundering legislation could involve personal penalties including fines or imprisonment, or both; and being aware that breaches of procedures set out in this policy may be constituent Gross Negligence and may attracts disciplinary action as per the Employees By-laws.

2.5 Internal Audit is responsible for:

- ❖ Auditing compliance by the Bank with statutory and regulatory obligations in respect of money laundering policies, procedures and controls.
- ❖ Auditing the effectiveness of internal controls designed to counter the risk of the Bank becoming involved in money laundering.

Annexure-1

An indicative list of Politically Exposed Persons (PEP):

Administrators/Politicians

- ❖ Incumbent ministers
- ❖ Central Working Committee members, District President and Secretaries of all major political parties;
- ❖ Both lower and upper house parliamentarians;
- ❖ Cabinet Secretaries
- ❖ Chief District Officers
- ❖ Regional Administration Officers
- ❖ Municipality Mayors
- ❖ Election Commissioner
- ❖ Auditor General
- ❖ Attorney General
- ❖ Chief of Central Investigation for Abuse of Authority

Judiciary

- ❖ Appellate and Supreme Court judges
- ❖ District Judges

Army

- ❖ Colonel and above

Police

- ❖ Superintendent of Police and above

Government Entities/Corporations/Institutions

- ❖ Chairman
- ❖ Chief Executive Officers
- ❖ Chief Financial Officers

Immediate family of Politically Exposed Person,

- ❖ the person's parents,
- ❖ siblings,
- ❖ spouse,
- ❖ children,
- ❖ in-laws,
- ❖ grandparents and grandchildren

Close associate of Politically Exposed Person,

A person who maintains close relationship with the PEP and includes a person who is in a position to conduct substantial domestic and international financial transaction on the PEP's behalf

Annexure-2

Risk Categorizations

For the purpose of risk categorization, individuals and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile, and the volume does not breach our threshold of Rs. 1.0 million may be categorized as low risk.

Followings are the indicative list of Category A customers:-

- ❖ Government Department and Government agencies, including their statutory corporation and their private companies.
- ❖ Financial Institutions enlisted in the Security Exchange Board.
- ❖ Salaried employees whose salary structures are well defined,
- ❖ Personal Customers account having balance up to Rs. 5 million
- ❖ People belonging to lower economic group of society whose accounts show small balances and low turnover,
- ❖ Self employed individuals,
- ❖ Local resident(s)
- ❖ Public Companies and their subsidiaries.
- ❖ Borrowing Customer which source is cash
- ❖ International Charities and Non Government Organizations, who are operating over 10 years and revenues in excess than Rs. 10 million in a year and their working area is transparent and known-Customers that are likely to pose a higher risk to the Financial Institution will be categorized as high risk depending on customers' background, nature and location of activity, sources of funds, etc. Compliance Officer will apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources of funds are not clear.

Following to be categorized as Category C customers:

- ❖ Person/outlet dealing with gambling, money exchange, jewelry, land broker, dealers in high value commodities.
- ❖ Non-Financial Institution Financial Institutions (Money Transmitters)
- ❖ Financial intermediaries
- ❖ Cash Intensive business such as Restaurants, retail stores etc.
- ❖ Politically Exposed Person, (as mentioned in Special Identification Issue)
- ❖ high net worth individuals, (as per market report/information)
- ❖ trusts, charities, NGOs and organizations receiving donations,
- ❖ companies having close family shareholding or beneficial ownership, (When share holding is 10 % or higher, other than borrowing customer(s).
- ❖ firms with 'sleeping partners' (Account other than borrowing customer)
- ❖ Compliance Officer has any reason to believe that an applicant is being refused banking relation due to money laundering risk by another Financial Institution, (a complete list will be prepare in due course of time)
- ❖ those with dubious reputation as per public information available, etc.
- ❖ Customers who provide insufficient or suspicious information
- ❖ non-face to face customers, if any
- ❖ The customer acceptance policy and its implementation are not to be made too restrictive and as a result in denying of banking services to the general public.

All other customer who does not fall in either Low Risk categories or High Risk should be categorized as Medium Risk Client (s)

Guidelines on AML Risk Rating in terms of Business Types and Country

Business type AML Risk Rating: The risk assignment for business type risks will be done by reference to ML typologies issued by the FATF and other law enforcement agencies, guidance from consultants (Promontory) and own experience of the banks. Those industries that have high cash turnover; have been exploited by organized crime; involve money transmission; or which have a reputation for links to corruption are assigned as higher level business type risk.

The Business Type AML Risk Rating will be as per guidelines issued by the concerned regulatory bodies from time to time.

Country AML Risk Rating: It is a measure of the inherent AML risk associated with a particular jurisdiction. Countries will be rated as High, Medium or Low risk in accordance with the methodology described below.

Country Risk Ratings will be updated in response to:

- ❖ New information from credible international sources (e.g. FATF, United Nations) that the risk situation in a particular country has changed;
- ❖ Relevant information gained from the experience and latest developments in banking.

Annexure-3

Information and Documentations

While opening account for the client the following information and documents in accordance with the nature of the client, must be obtained. When necessary interview deemed with the client should also be taken. The details of such interview must be recorded in writing and should be preserved along with the documents obtained from the clients.

Types of Account	Document to be obtained.
Personal Account/Joint Account	<ul style="list-style-type: none"> ❖ Full Name ❖ Father or Husband's Name ❖ Grand Father's Name ❖ A copy of Citizenship Certificate ❖ Permanent address (document evidencing the confirmation of the address. Such documents could be, , Utility Bill, if required road map of the client's resident to be prepared after visiting to the customer's resident, Polling ID card, Land Ownership Certificate) ❖ Temporary Address, ❖ Date of Birth, ❖ Telephone Number (if available) ❖ Number and description of Citizenship/Passport, ❖ Photocopy of ID card of the customer if the customer is employee of Government office or office owned by the government. ❖ Photograph, ❖ Foreign currency (FCY) earning source documents in case of FCY Account ❖ Other document deemed necessary ❖
Partnership or Sole proprietorship firm	<ul style="list-style-type: none"> ❖ Name of the firm ❖ Address of the firm ❖ A copy of Citizenship Certificates of Proprietor/ all partners and authorized signatories ❖ Telephone/Mobile/Fax number and email address, (if available) ❖ Name and address of all partners and Phone Number ❖ Photograph of all partners, ❖ Certificate of Registration Certificate or certification of incorporation, ❖ Tax Registration certification or PAN as applicable ❖ Partnership deed, ❖ Mandate given for financial and administrative work (Standard Mandate Form of the Bank must be used) ❖ Other document deemed necessary. ❖
Company Account	<ul style="list-style-type: none"> ❖ Company Name, ❖ Address of the Head Office ❖ Complete address ❖ Telephone, Fax, email/web address etc ❖ Copy of registration certificate or certification of incorporation. ❖ Copy of tax registration certificate or PAN as applicable ❖ A copy of Citizenship Certificate all Board Members/Chief Executive Officer and other Official whom the Board has given mandate. ❖ Copy of Memorandum of Association and Article of Association, ❖ Copy/certified extract of Board resolution for account opening.

	<ul style="list-style-type: none"> ❖ Power of attorney for account operation. ❖ Name, address, and photographs of Board members (Phone Number also if available), ❖ Other Documents deemed necessary
Club/Non-governmental organization	<ul style="list-style-type: none"> ❖ Name of Club or NGO, ❖ Address ❖ Copy of registration certificate of the association/incorporation, ❖ Copy of Constitution, ❖ Name and Address of Executive Committee (Phone number if available), ❖ Telephone, Fax Number, ❖ Decision of the Executive Committee/board on opening an account, ❖ Name, Address, and photograph of Directors of the association/Member of Executive Committee, ❖ Mandate for account operations and financial transactions, ❖ A copy of Citizenship Certificate/identification of Executive Committee Members/Directors of the Association. ❖ Other Documents deemed necessary ❖
Account of Cooperatives	<ul style="list-style-type: none"> ❖ Name of Cooperative ❖ Address ❖ Phone/Fax Number and email/web (If available) ❖ Rules/Bylaws and Regulation of the Cooperative ❖ Name, addresses, and telephone number of Board of Directors (Phone numbers if available) ❖ Photograph of Board of Directors. ❖ Copy of Registration Certificate/incorporation ❖ Copy/certified extract resolution of Board to open an account and mandate for financial transaction ❖ Other Documents deemed necessary
Account of Public/Private Trust	<ul style="list-style-type: none"> ❖ Name, ❖ Address, ❖ Phone/Fax Number and email/web (If available), ❖ Bylaws/ Constitution, ❖ Commitment for formation of trust, ❖ Name, address and photograph of trust operators/Board of trustee, ❖ Copy of registration certificate of trust, ❖ Name and address of Board Member of the Management Committee, ❖ Copy/certified extract of Board or Management Committee on opening of account and mandate for financial transactions, ❖ Document confirming name, address of atleast two Board Members having effective control over the unit by way of share holding and/or controlling the management along with photos, ❖ Valid identification of all Trust Operators and Board Member of the Management Committee. ❖ Other Documents deemed necessary
Account of School or Campus	<ul style="list-style-type: none"> ❖ Name of School or Campus, ❖ Address, ❖ Constitution or Memorandum of Association and Article of Association, ❖ Certification of approval of Institutions ❖ Name, address, Phone No and photograph of the main officers ❖ Name, address, telephone, and photograph of Board members, ❖ The decision of the Board or Management Committee on opening of account and mandate for financial transactions

	<ul style="list-style-type: none"> ❖ A copy of Citizenship Certificate Board Members, Chief Officer ❖ Other Documents deemed necessary
International non-governmental organization	<ul style="list-style-type: none"> ❖ Name of the Organization, ❖ Address, ❖ A copy of the agreement between the organization and National Council for Social Service, if available, ❖ A copy of an agreement with the Government, if available, ❖ Recommendation letter of the concerned country or Embassy of the country, ❖ Constitution of the organization, ❖ Documents confirming Name, address, Phone No and photograph of chief officers of the organization, ❖ Documents confirming Name, address, Phone No and photo of the Country Representative for the organization or Chief of the organization, ❖ Mandate given by the organization for opening an account and transaction activities, ❖ A copy of Citizenship Certificate/ Passport of Country Representative and the Account Operator. ❖ Other Documents deemed necessary.
Account of Foreign National	<ul style="list-style-type: none"> ❖ Full Name ❖ Address ❖ Father or Husband's name ❖ A copy of valid Visa ❖ A copy of Passport, ❖ Photograph ❖ Recommendation letter from the related office/Embassy (If employee), ❖ Reference letter from employer (if employed) ❖ Address in Nepal or Contact Address ❖ Other Documents deemed necessary
Account of Foreign Company	<ul style="list-style-type: none"> ❖ Name ❖ Full Address ❖ Document related to registration of the company abroad, ❖ Copy of Memorandum of Association and Article of Association, ❖ Mandate given for opening account and doing financial transactions by the Foreign Company, ❖ Document confirming address of registered/business office, ❖ Documents confirming Name, address, Phone No and photo of the two Chief of the Foreign company, including personal description and documents confirming addresses, ❖ Address in Nepal, Contact Address or Contact person ❖ A copy of Citizenship Certificate/Passport of the Account Operator. ❖ Other Documents deemed necessary
Account of Diplomat/Embassy	<ul style="list-style-type: none"> ❖ Name ❖ Full Address ❖ Letter of Diplomat/Embassy to open account ❖ Mandate for operating the account, ❖ Document confirming Name, address, Phone No and photograph of the account operator, ❖ Copy of identification document ❖ Other Documents deemed necessary
Account of Non-Residential Nepali	<ul style="list-style-type: none"> ❖ Full Name ❖ Address ❖ Father or Husband's name

	<ul style="list-style-type: none"> ❖ Documents confirming Income sources, ❖ Agreement/Appointment letter of Employer, ❖ A copy of the Passport, ❖ Photograph and address in Nepal or Contact Address ❖ Other Documents deemed necessary
Government departments or their agencies, statutory corporations	<ul style="list-style-type: none"> ❖ Name ❖ Full address ❖ Telephone/Fax number, email address ❖ A request letter signed by a Gazetted Officer from the respective Government Department/Corporation with Official Seal ❖ Power of attorney ❖ Identification documents of account operator ❖ Other documents deemed necessary

Client having no account relationship:- The Bank should preserve the name and address and Identification documents of the client after confirming the same or the client requesting for Outward Remittance or request to obtain inward remittance in the client's name.

Annexure-4

Credit Information

Date:

Global Bank Ltd.

..... Branch

Dear Sirs,

Following are the details of our credit facilities with other banks/financial institutions:

(Amt. in Rs'000')

Names of other Banks/FIs from where credit facilities are availed	Total Limit	Total Outstanding Date*: *(Should be not older than last quarter-end; last month-end preferred)	Expired Yes/No (If yes, specify date)	Security Details		
				Nature of Security	Details (Location/ name of guarantors, etc.)	Remarks/ other info.
1. Bank/FI					(Location/ Type)	
❖ Working Capital Loans					(Location/ Type)	
❖ Term Loans					(Location/ Plot#)	
❖ Other Loans					(Name of guarantors)	
❖ Non Funded facilities						
Total						
1.Bank/FI					(Location/ Type)	
❖ Working Capital Loans					(Location/ Type)	

❖ Term Loans					(Location/ Plot#)	
❖ Other Loans					(Name of guarantors)	
❖ Non Funded facilities						
Total						
3.....Bank/FI						
Total						
Grand Total						

Please attach additional sheets in case of insufficient space or for additional details of security and other remarks, if any.

I/we confirm that the information provided above is correct. In case of mis-representation and/or the information provided is proved to be incorrect I/we assume full responsibility for any consequences thereof.

Authorized signatory:

Annexure-5

CDD review Checklist for "CORPORATE" account

Account Number	Account Title				
The client is residential?	Yes	No	High Risk?	Yes	No
Name, Telephone number and address of all partners/Board Members/ Executive committee disclosed? (as detailed in FIU's Guide lines)			Yes	No	
Address of partners/Board Members/Executive Committee members can be verified with the document submitted(as detailed in FIU's Guide lines)			Yes	No	
Photo of all partners/Board Members / Executive committee obtained. (as detailed in FIU's Guide lines)			Yes	No	
In case of INGO do you think the paper submitted is enough the existence of the organization?			Yes	No	
Business of the organization			Consider High Risk?	Yes	No
If partnership account existing of Sleeping Partner ?			Not Applicable	Yes	No
Power of Attorney given is found adequate?			Not Applicable	Yes	No
Have you obtained identification of Principal person/Account operators			Not Applicable	Yes	No
Residential address of Principal person/third party signatory verified?			Not Applicable	Yes	No
What is the relationship between main account holder and third party signatory?			Not Applicable		
Sources of fund?			Source of fund from High risk countries	Yes	No
Anticipated Volume/frequency of Transaction			Do you consider this as High Risk?	Yes	No
Purpose of account Opened?			Do you consider this as High Risk?	Yes	No
Have you collected and verified all documents with the original?			Yes	No	
List of the document which is not submitted so far: 1. 1. 3. 4.					
Name of the Staff responsible to obtained non submission of document mentioned above Date:					
As per the points mentioned above Please recommend your suggestion to categorize the account as :			Category A	Category B	Category C

If you consider the account is to be considered as High Risk Account

<p>Have you fully understood the source of the fund of the customer and are you fully satisfied with the explanation submitted? If yes</p> <p>write down the details of the wealth/fund of the client::</p> <p>1. Threshold limit 1. Throughput limit 3. Sources fund explored</p> <p>4. Second verification of Identification. 5. Verification of address</p> <p>6. Any other important deemed necessary</p>
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Staff designated for
Account Opening

Compliance officer of the
Branch / Unit

Approved by
Operations in Charge

Any Other comment you think worth mentioning about the client for the purpose of CDD:

Staff designated for
Account Opening

Compliance officer of the
Branch / Unit

Approved by
Operations in Charge

Annexure-7

Questionnaire for Correspondent Banking

PART 1 -GENERAL INFORMATION		
A	Name of Organization:	
B	Registered Office at:	
C	Head office at:	
D	E-mail:	
E	Website:	
F	Name of anti-money-laundering officer with tel. Fax, e-mail:	
G		
H	Name of supervisory organization in your country:	
I	If FI is publicly traded, name of exchanges:	

Part 1 -general AML policies, practices and procedures: (answer yes/no)

	yES	NO
Has the Country in which you are located established laws designed to prevent money laundering?		
Has your institution developed written policies documenting the processes that they have in place to prevent, detect and report suspicious transactions' that has been approved by senior management/ board of FI.		
In addition to inspections by the government supervisors/regulators, does the FI client have an internal audit function or other independent third party that assesses AML policies and practices on a regular basis?		
Does the FI have a legal and regulatory compliance program that includes a designated officer that is responsible for coordinating and overseeing the AML framework?		
Does the FI have a policy prohibiting accounts/relationships with shell banks? (A shell bank is defined as a bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group.)		
Does the FI have record retention procedures that comply with applicable law? If yes how long?		
Has your institution been subject to any investigation, indictment, conviction or civil enforcement action related to money laundering and terrorism financing in the past five years.		
Does your country adhere to the 40 anti-money laundering recommendations and 9 special terrorist financing recommendations developed by the financial action task force (FATF)?		
Does the FI's AML policies and practices being applied to all branches and subsidiaries of the FI both in the home country and in locations outside of that jurisdiction?		

PART 3 -Risk Assessment

Does the FI have a risk-based assessment of its customer base and their transactions?		
Does the FI determine the appropriate level of enhanced due diligence necessary for those categories of customers and transactions that the FI has reason to believe pose a heightened risk of illicit activities at or through the FI?		

PART-4- Know Your Customer, Due Diligence and Enhanced Due Diligence

Has your institution implemented systems for identification of its clients, including client information in case of recorded transactions, account opening such as family name/		
---	--	--

name of the firm, activities/ job, nationality , street address, tel. Number, country/ state that issued it		
Does your institution have procedures to establish a record for each client noting their respective identification documents and know your client information collected at account opening? Are copies of identification documents retaining in your possession for reference?		
Does the fi collect information and access its FI customer's AML policies or practices?		
Does the FI have policies covering relationships with Politically Exposed Persons (PEP's), their family and close associates?		
Does your institution take steps to understand the normal and expected transactions of its customers based on its risk assessment of its customers based on its risk assessment of its customers?		
Does the FI have procedures to establish a record for each new customer noting their respective identification documents and 'Know Your Customer' information?		
Does the FI have process to review and, where appropriate, update customer information relating to high risk client information?		

Part 5 -Reportable transactions and prevention and detection of transactions with illegally obtained funds.

Does your institution have policies for the identification and reporting of transactions that are required to be reported to the authorities		
Does your institution screen transactions for clients or transactions the financial institutions deems to be of significantly high risk that special attention to such customer or transactions is necessary prior to completing any such transaction?		
Does your institution have procedures to identify transaction structured to avoid large cash reporting requirements?		
Does your institution have policies to reasonably ensure that they will not operate with or on behalf of shell bank through any of its account?		

Part 6 -Transaction Monitoring

Does the fi have a monitoring program for suspicious or unusual activity that covers funds transfers and monetary instruments (such as travelers checks, money orders, etc)?		
--	--	--

Part 7- AML Training

Does your institution provide AML training to relevant employees that includes identification and reporting of transactions that must be reported to govt. authorities, examples of different forms of money laundering involving the bank products and services and internal policies to prevent money laundering?		
Does the Fi retained records of its training sessions including attendance records and relevant training material used?		
Does your institution communicate new AML related laws or changes to existing aml related policies or practices to relevant employees?		
Does your institution have an established audit and compliance review function to test the adequacy of AML and terrorist financing procedures?		
Does the FI employ agents to carry out some of the functions of the FI and if so does the FI provide AML training to relevant agents that includes identification and reporting of transactions that must be reported to government authorities, examples of different forms of money laundering involving the FI's products and services and internal policies to prevent money laundering?		

Part 8 Documents to be enclosed in support

Bank licenses :	
CDD guidelines/ AML policy :	

.....

(SIGNATURES)

NAME OF PRINCIPAL/COMPLIANCE OFFICER : _____

FI NAME : _____

LOCATION : _____

TEL : _____

FAX : _____

E-MAIL : _____

DATE : _____

Annexure-8

Suspicious Transaction Report (STR) Form
for Banks and Financial Institutions

A. Reporting Institution :

1. Name of the Institution/Branch:

--

B. Details of Customer :

1. 1. Name of the account holder/s/customer:

--

2. Address:

--

3. Profession(if applicable):

--

4. Nationality(if applicable):

--

5. Other account(s) number (if any):

--

6. Other business (if nay):

--

7. Father/Mother's name (if applicable):

--

8. Date of birth/establishment:

--

C. Account/Transaction Details

1 Account Number/Transaction:

--

2. Nature of the account/transaction*:
(Current/savings/loan/other, pls. specify)

--

3. Nature of ownership: (Individual/proprietorship
/partnership/company/other, pls. specify)

--

4.Date of opening/transaction:

--

5. Other account(s) number/transaction
(if any):

--

6. Amount:

--

7. Others:

--

*Cash/Transfer/Clearing/TT/etc. Add paper if necessary

D. Reasons for considering the transaction(s) as unusual/suspicious?

- a. Identity of clients
- b. Activity in account
- c. Background of client
- d. Multiple accounts
- e. Nature of transaction
- f. Value of transaction
- g. Other reason (Pls. Specify)

(Mention summary of suspicion and consequence of events)

E. Suspicious Activity Information

Summary characterization of suspicious activity:

- | | | |
|---|---|---|
| a. <input type="checkbox"/> Corruption/Gratuity | e. <input type="checkbox"/> False statement | h. <input type="checkbox"/> Structuring |
| b. <input type="checkbox"/> Cheque fraud | f. <input type="checkbox"/> E or wire frauds (debit/credit or other card) | i. <input type="checkbox"/> Mysterious Disappearance/behavior |
| c. <input type="checkbox"/> Tax evasion | g. <input type="checkbox"/> Identity Theft | j. <input type="checkbox"/> Counterfeit instrument |
| d. <input type="checkbox"/> Loan fraud | h. <input type="checkbox"/> Terrorist Financing | k. <input type="checkbox"/> Misuse of Position or Self |

F. Has the suspicious transaction/activity had a material impact on or otherwise affected the financial soundness of the bank/fi?

Yes No

G. Has the bank/FI taken any action in this context? If yes, give details.

Signature (Compliance Officer or authorized officer) :
Name : _____ Date: _____
Phone : _____ Email: _____ Fax: _____

Correspondence Address: Block No: _____ Street Name/Tole: _____ Ward No: _____

VDC/Municipal/(S)MPC: _____ District: _____

Telephone : _____ Fax No. : _____ Email : _____

DETAILS OF PROPRIETOR/PARTNERS/DIRECTORS

S.No.	Name	Designation	Residential Address (in full with house & ward no.)	Contact Telephone No.
1				
1				
3				
4				
5				

(Please add separate sheet if require so)

OTHER BANK DETAILS

Do you have accounts with other Banks Yes No

If Yes, Name of Bank _____ Account No. _____

Availing Credit facility with other banks: Yes No

If Yes, Name of the Bank _____ Type of Facility/ies _____

INTRODUCTION OF ACCOUNT

Introduced by: _____ Account Number _____ P _____
(introducer's name)

Contact No(s): _____ Signature(s) _____

ACCOUNT STATEMENT - Mark [✓] as appropriate

Statement Frequency: Quarterly Half Yearly Yearly On Demand

Mode of Delivery : By Post (in the undermentioned mailing address) Hold for Collection

MANDATE (LIMITED COMPANIES/ASSOCIATIONS ONLY)

We hereby certify that the authorities for operation of account as below have been given in terms of our Board Resolution dated _____, a duly attested copy of which is enclosed.

We have also read and understood and hereby agree to the Terms and Conditions (attached herewith) governing Customer Account Opening at Global Bank Ltd. Information provided herein are correct and true. We hereby agree to accept, abide and be bound by present and future rules, terms and conditions of the Bank governing Customer Account Opening. In the event we fail to abide by such terms and conditions, we shall bear the damage and/or penalties as a consequence thereof. We agree and fully bear for such kind of consequences.

Authorized Signatory(ies)

Designation:

Seal of Firm/Company

SIGNATURE(S) OF AUTHORISED SIGNATORY(IES)

Also to be used as specimen signature (Please sign below in black ink)

[Empty signature box]

[Empty signature box]

[Empty signature box]

Name _____

Name _____

Name _____

Designation _____

Designation _____

Designation _____

Name _____

Name _____

Name _____

Designation _____

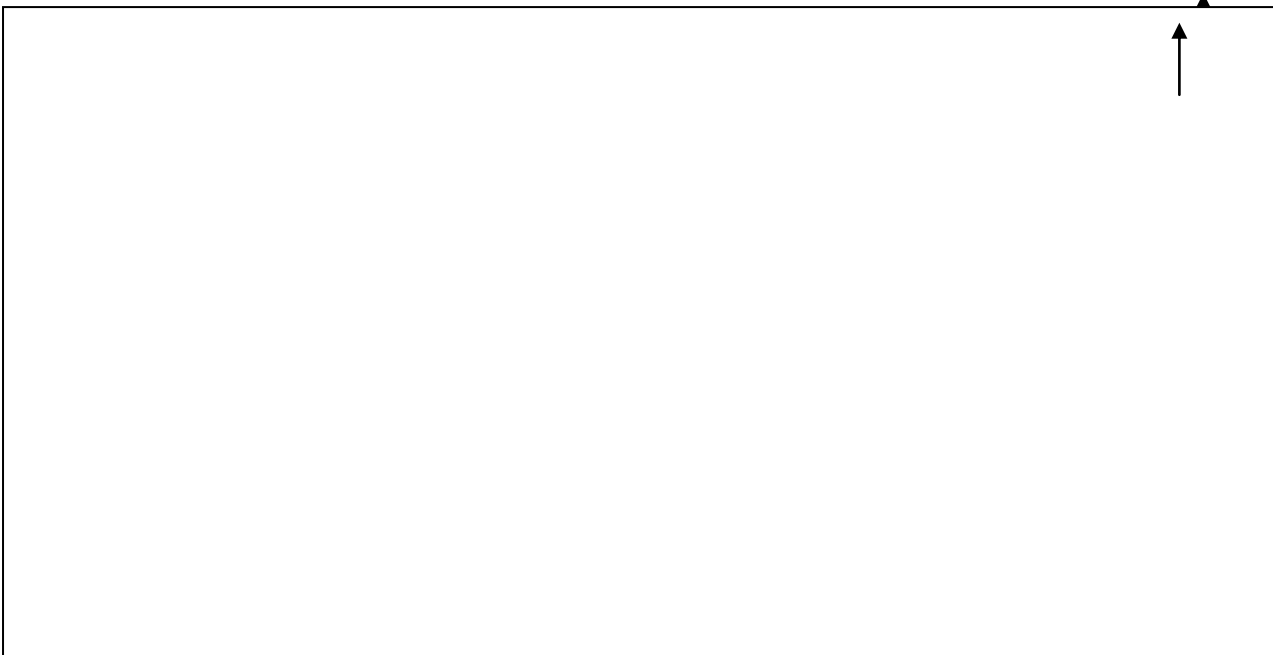
Designation _____

Designation _____

Operation of Account: Single Joint Others (if any)

Special Instruction if any: _____

LOCATION MAP OF REGISTERED ADDRESS OF FIRM/COMPANY



Authorised Signature(s)

Seal of Firm /Company

Designation:

Date :

FOR BANK USE ONLY

- Non Resident A/C Yes No
- Cheque Book Ordered Yes No
- Initial Amount Deposited Rs. _____
- Source of income/NRB's Approval (in case of foreign currency account): _____

Checked/ Approved by: _____ Input & checked by : _____

Date : _____ Date : _____

KYC: CAT 1 CAT1 CAT 3

Review date:

TERMS AND CONDITIONS

In consideration of Global Bank Limited (hereinafter referred to as the "Bank") opening and/or continuing the Current/Savings/Call/Fixed Deposit or any other account(s) in our name (hereinafter referred to as the "Accounts") and providing banking facilities to such business (hereinafter referred to as the "Customer" or "we",). We agree to be bound by the terms and conditions set out below and agree that the Accounts will be governed by and be subject to these terms and conditions (hereinafter referred to as the "terms"). We also agree that all deposits whether Savings, Current, Fixed or Foreign Currency that may be placed by us with the Bank are subject to the prevailing rules and regulations of the Bank, Nepal Rastra Bank and are governed by laws in effect from time to time. These Terms shall apply to each of the Accounts of whatever nature hereafter opened with, continued with or maintained with the bank or its successors or assigns.

A). Bank Accounts

- 1) We authorise the Bank:
 - (i) to take actions in relation to the terms incorporated under this agreement on receipt of instructions or documents given or executed in accordance with the signing instructions specified in the account opening form until such time as we give the Bank written notice to the contrary.
 - (ii) for making payments of cheques, bills of exchange, promissory notes, standing orders, direct debts, issuance of draft, mail and telegraphic transfers, purchase and sale of foreign currency and any other instructions by debiting the Account(s) whether in credit or otherwise, and
 - (iii) to accept any other instructions regarding the Accounts including instructions for the closure of all or any of the Account(s).
- 2) We understand that any funds received by the Bank on our behalf shall be credited to the relevant Accounts unless the Bank receives written instructions from us to the contrary.
- 3) We understand that the Bank acts only as our collecting agent and assumes no responsibility for the realisation of any items deposited with the Bank for collection. Proceeds of cheques or other instruments deposited with the Bank are not available for withdrawal until collected by the Bank. The Bank reserves the right to debit any of the Accounts that may have been exceptionally credited with an item subsequently unpaid on collection. The Bank may refuse to accept for collection cheques drawn in favour of third parties or if the payee's name is not identical to our name on the Bank's record. The Bank will not accept for credit to the Accounts any cheque or draft in favour of a third party crossed or denoted "A/C Payee" (or any words of similar effect). The Bank may at any time debit and recover from the Accounts the value of any instrument negotiated, purchased or collected by the Bank in the event that the proceeds are not received against the same at any time and/or after receipt of proceeds, the account of the Bank is debited or proceeds recovered from the Bank upon return of the instrument by the drawee bank or correspondent Bank.
- 4) The Bank may, in its absolute discretion, issue us with cheques in any form for the Accounts and may at any time in its discretion withdraw or recall the same. The Bank may also refuse to allow withdrawals except through such cheques. If a cheque-book is issued, we undertake to be responsible for its safe custody at all times and we will immediately notify the Bank if this or any of the cheques contained therein, is lost or stolen. We understand that the Bank may, in its absolute discretion accept from us any stop cheque instructions (either verbally or in writing) in cases where we have lost the relevant cheque or, in other circumstances in which it is allowed by the law and agreed by the Bank. Should the Bank accept any such instructions from us, we hereby undertake to indemnify the Bank against any loss, damages, costs (including any legal costs) or demands as incurred by the Bank as a result of or in connection therewith. The Bank will not be liable for any loss due to payment of any lost or stolen cheques, unless the Bank had notice of such loss or theft at the time of payment.
- 5) We accept that the provision of any overdraft facility or other accommodation by the Bank to us may be granted or refused at the sole discretion of the Bank. The continuance or withdrawal of such facility or accommodation at any time is also at the Bank's sole discretion.
- 6) We will be liable for any overdraft or other facilities arising in connection with any of the Accounts and we hereby authorize the Bank to debit any of the Accounts with all or any mark-up, commission and other banking charges, costs and expenses (including any legal costs) incurred in connection therewith at such rates as may be determined by the Bank from time to time in its absolute discretion. We will also pay to Bank any such amounts, in the manner and at such times, as may be required by the Bank in its absolute discretion.
- 7) As regards any and all amounts credited to Accounts during the period when any overdrafts or any other banking facilities in connection therewith are being provided by the Bank to us, such amounts shall firstly be applied by the Bank to reduce any mark-up payable on the overdrafts or any other banking facilities until the mark-up is paid in full. Then and only then shall any such amounts so credited be applied to reduce the principal amount of any such overdraft or any other banking facilities.
- 8) The Accounts will be subject to applicable charges as per the Bank's schedule of such charges as revised from time to time. The Bank shall always be entitled without notice to us to recover from and debit the Accounts for any charges, expenses, fees, commissions, mark-up, penalties, withholding taxes, levies of government departments or authorities and any other impositions in respect of the Accounts or the balances in the Accounts. The Bank is authorized to reverse credit entries made in error. The Bank is also entitled to reverse debit entries made in error in relation to the accounts. Any charges debited by the Bank are not refundable upon closure of any or all of the Accounts.
- 9) We authorise the Bank to accept for safekeeping, collection or for any other purpose, any securities or other property deposited with the Bank on our behalf or received from us and to release or to deliver or give up any such securities or property against our written instructions.
- 10) The deposits and their payments are governed by the laws in effect from time to time in Nepal and are payable only at the branch ofBank Limited in Nepal where deposits were made. The Bank has discretion to allow withdrawal at other branches in Nepal subject to the production of evidence of identity of the customer satisfactory to the Bank and to payment of any customary charges that may be levied by the Bank from time to time, for such deposits or withdrawals.
- 11) The rate of any interest payable on any account may be displayed by the Bank at its various branches in Nepal and we accept that this rate may be subject to change without notice to the customer. Interest on saving accounts and Foreign Currency savings accounts is calculated on a 365 days basis on a monthly minimum balance to be paid on semi-annual basis or as per Bank's regulation. The Bank shall have the exclusive right to determine the basis for the calculation of the amounts payable as interest on any Savings and Term Deposit accounts. No interest will be payable by the Bank on current accounts in any currency.
- 12) We accept that unless specified otherwise, maturity value of foreign currency or rupee term deposits shall be automatically closed. Withdrawal of term deposits prior to maturity may be allowed at the discretion of the bank and may attract penalties by way of forfeiture or reduction in the interest as the case may be, payable on maturity and/or charges which are subject to change without notice to us, as determined by the Bank.
- 13) We accept that there are risks associated with the Accounts denominated in foreign currency. Accordingly, we accept that withdrawals from and credit to foreign currency accounts shall be subjected to availability of foreign currency notes at the time of withdrawal and subject to prevailing Nepal Rastra Bank and Nepal Government's rules and regulations. We also agree that the Bank may decline acceptance of foreign currency notes for credit to the Accounts at its discretion.
- 14) We accept that the Bank shall not be liable for unavailability of funds credited to the Accounts due to restrictions on convertibility or transferability or payment of funds, requisitions, involuntary transfer, acts of war, civil strike or other caused beyond the control of the Bank. We further accept that neither the Head Office nor any branch, subsidiary or affiliate of the Bank shall be liable for any consequences thereof, if due to any actions of or restriction imposed by Government of Nepal, Nepal Rastra bank or any other authority or entity, any branch of the Bank is unable to either make payment to the customers at all, or to transfer such funds in such currency at all. We are solely responsible for all such risks and any associated costs and expenses howsoever arising (including without limitation, those arising from any international or domestic legal or regulatory restrictions) in respect of any such account. We agree that the Bank's determination of whether it is or is not able, given the prevailing applicable law and regulations, to make any payment from or permit any withdrawal or transfer from any Accounts shall be final and binding on the Customer and shall not be questioned.
- 15) We understand that the statement of account will be provided and sent by mail or kept on hold at the Bank at such frequency as the Bank may determine from time to time or as requested by the customer. Statement of account will be provided on a quarterly basis for Savings account and monthly basis for Current accounts unless otherwise advised. The contents of the statement of account will be treated as correct and conclusive and all discrepancies or objections, if any shall be deemed to be waived unless notified in writing to the bank within 30 days from the date of dispatch of the relevant statement. No statement of account will be sent or provided for a term deposit for which only deposit confirmation receipt will be issued. It is the responsibility of the account holder to provide the bank their correct and full address and any change in their address must be advised to the bank promptly. A flat fee according to bank's Standard Tariff of Charges will be levied in the event if the statement to be posted is returned undelivered on account of wrong/incomplete address. A fee according to Bank's Standard Tariff of Charges will be levied for each duplicate statement.

- 16) We authorize the bank to respond, if it shall so choose, to any and all enquiries received from any other banks concerning the accounts without reference to us. For the avoidance of doubt, any such response may include a bank reference. We hereby authorize the bank to release any information in respect of the accounts and balances in the accounts to any authority demanding the same provided the bank bona fide believes it is obliged to release such information. No information to account holders shall be provided over telephone unless we have availed Telebanking services.
- 17) We understand that we may close any of the Accounts by giving prior written notice to the Bank. The Bank may however, either, at its own instance, or at the instance of any court or administrative order, or otherwise close, freeze or suspend dealings in any of the Accounts without prior notice to us or, without being liable for any breach of any duty it may owe to us.
- 18) We authorize the Bank to make disclosure in respect of the Accounts as may be required by any court order or competent authority or agency under the provisions of applicable law and/or otherwise to protect the interest of the Bank.
- 19) We understand that the Bank may close any of the Accounts by giving a 60 days' notice to us. Any credit balance remaining due after expiry of 60 days will be sent by mail to us by a draft or pay-order in full discharge of the Bank's liability in respect of the Accounts.
- 20) In relation to any dealings in respect of any of the Accounts, the Bank shall not be liable for any loss resulting from such dealings in the event of our incapacity or bankruptcy (or any other analogous events or proceedings) unless and until the Bank has received written notice of any such event together with such documentary evidence as the Bank may require. Further, the Bank, shall not be liable to us for any losses, damages or delay attributable in whole or in part to the acts or omission of any government or government agency or any other event outside the Bank's control including, without limitations, strikes, industrial action, equipment failure or interruption of power supplies.
- 21) If conflicting or unclear instruction are issued by ourselves or any of the persons authorized to operate the Accounts, the Bank shall be entitled forthwith to stop the operation of the relevant Accounts until such time as that matter is resolved to the satisfaction of the Bank. We agree that the Bank will not be liable for failing to take any action in respect of the Accounts in the presence of conflicting or unclear instructions. We shall be liable for the repayment of any finance availed by us, together with return, interest and mark-up thereon at a rate determined by the Bank from time to time.
- 22) Cheque-book to a third party will be delivered only after obtaining the identity document of the receiver and authority from us.
- 23) Two different types of charges according to Bank's standard tariff of charges will be levied at the time of account closure i.e. one for account closed within 3 months and other for accounts closed after 3 months or as per the Bank's regulation.
- 24) Accounts may automatically be closed if they carry nil, negative or balance less than the applicable ledger fee for 60 consecutive days.
- 25) The Bank shall not be held responsible for any shortfall/shortages not brought to the notice of the bank during cash withdrawal at the bank's counter.
- 26) We accept that the Bank shall have the right to refuse to open an Account or close an existing Account without assigning any reason. The Bank may prescribe minimum balance requirements for opening and/or maintaining Accounts. The prescribed minimum balance must always be maintained, failing which a monthly ledger fee will be levied.
- 27) In case of partnership accounts, each one of the partners shall be both jointly and severally liable for the payment of any finance, together with return, interest, thereon at a rate determined by the Bank from time to time.

B) Banking Instruction by facsimile

1. Unless we instruct the Bank in writing to the contrary (not withstanding the provisions of clause 1 hereunder), the Bank is authorized, but not obliged, to act on my/our banking instruction.
2. We shall release the Bank from and hereby agree to indemnify and hold the bank harmless from and against all actions, suits, proceeding, costs, claims, demands, charges, expenses, losses and liabilities however arising in consequence of, or in any way related, to:
 - I. The Bank having acted in good faith in accordance with my/our written facsimile instruction which appears on their face to emanate from me, notwithstanding that such instruction(s), as above may have been initiated in error or fraudulently altered, misunderstood or distorted during communication; and
 - II. The Bank having refrained from acting in accordance with my/our written, facsimile instruction including a failure to act by reason of failure of actual transmission thereof to the Bank or receipt by the Bank for whatever reason, whatever connected with fault, failure or unreadiness of the sending or receiving machine.

C) Notices

Any demand or communication made by the Bank under these Terms and Conditions shall be in writing and made at the address given by the Customer (or such other address as the Customer shall notify the Bank from time to time) and, if posted, shall be deemed to have been served on us on the date of posting.

D). Acceptance of Terms and Conditions

We accept that the Bank reserves the right to modify these Terms and Conditions from time to time. The revised or modified Terms will become effective upon notice being given to us, such notice being deemed to have been properly given, if the revised Terms and Conditions are displayed or made available at the branches for a period of 15 days from the date of revision. We hereby waive any and all claims we may have against the Bank pursuant to the Accounts or these Terms and Conditions unless such claim is based on fraud or wilful misconduct of staff of the Bank. The Bank's interpretation of these Terms and Conditions shall be final and binding on us. We have signed the application form as a token of acceptance of the aforesaid Terms and we have read and understood the Terms and Conditions prior to such signing.

Authorized Signature (1) Authorized Signature (1) Authorized Signature (3) Seal of Firm/Company

Date:

DOCUMENTS REQUIRED

Limited company Accounts	Proprietorship/Partnership Accounts	Associations, Committees, Trust, Societies, etc.
--------------------------	-------------------------------------	--

<ol style="list-style-type: none"> 1. Complete Account Opening Form 2. Copy of Certificate of Incorporation 3. Copy of Tax Registration Certificate (PAN) 4. Board Resolution to open account and mandate to operate account and for other banking transactions. 5. Copy of Memorandum & Articles of Association 6. Copy of identifications of authorize signatory/ies, Board Directors, General Manager and Chief executive officer 7. Copy of Certificate of registrar of joint stock companies that the Company is entitled to commence business 8. Document evidencing registered/operating address 9. Document evidencing residential address of signatories, directors, beneficial owners. 10. Recent passport size photographs of authorized signatory/ies, Board Directors, General Manager, and Chief Executive Officer 	<ol style="list-style-type: none"> 1. Complete Account Opening Form 2. Copy of Registration Certificate 3. Copy of Tax Registration Certificate (PAN) 4. Copy of (Reg.) Partnership Deed (for Partnership account). 5. Copy of proprietorship declaration form. 6. Copy of identification of all signatory (ies) of proprietor/partners 7. Document evidencing residential address of signatories, directors, beneficial owners. 8. Recent passport size photographs of proprietor/partners. 	<ol style="list-style-type: none"> 1. Complete Account Opening Form 2. Copy of Registration 3. Copy of Trust Deed (Reg.) 4. Copy of Constitution 5. Board Resolution to open account, mandate to operate account and for other banking transactions. 6. Copy of identification of authorized signatory/ies, Directors and Chairman. 7. Document evidencing registered/operating address 8. Document evidencing residential address of signatories, Directors, beneficial owners 9. Recent passport size photographs of authorized signatory/ies, Directors and Chairman. 10. Copy of Tax Registration Certificate (PAN) or tax exemption certificate.
--	--	---

Authorized Signatures

Authorized Signatures

Authorized Signatures

D

Account Opening Form
(Personal Individual/Joint Account)

Date: _____

Branch _____

I/We wish to open an account as detailed under with your Bank and undertake to comply, observe and be bound by the Terms and Conditions made here under and as may be amended by the Bank from time to time pertaining to such accounts.

Account Number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

TYPE OF ACCOUNT – Mark [√] as appropriate

Account Type: Current Savings Others _____ (Specify)

Currency: NPR USD Others _____ (Specify)

A. For individual Account: (Please complete all details in CAPITAL letters)

APPLICANT DETAILS

Name: Mr./Mrs./Ms : _____

_____	_____	_____	_____
Nationality	Date of Birth	Type of Identification and Number	Date and Place of Issue

Name of Father/Mother: Mr./Mrs.: _____

Name of Grand Father/Husband: Mr. : _____

Residential Address (Please Specify) : Self Family Owned Rented

House/Block No: _____ Area/Street Name: _____ Ward No: _____

VDC/Municipality: _____ District: _____ Tel No: _____

Permanent Address:

House/Block No: _____ Area/Street Name: _____ Ward No: _____

VDC/Municipality: _____ District: _____ Tel No: _____

Mailing Address: _____

House/Block No: _____ Area/Street Name: _____ Ward No: _____

VDC/Municipality: _____ District: _____ Tel No: _____

Tel No: _____ Email: _____ Mobile: _____

Employers Name & Address: _____

_____ Tel No. _____

Firms Name & Address (if self employed): _____

Tel. No. _____ Fax No: _____ E-mail: _____

B. For Joint Account (Please complete all details in CAPITAL letters)

APPLICANT -1

Name: Mr./Mrs./Ms : _____

Nationality Date of Birth Type of Identification and Number Date and Place of Issue

Name of Father/Mother: Mr./Mrs.: _____

Name of Grand Father/Husband: Mr. : _____

Residential Address (Please Specify) : Self Family Owned Rented

House/Block No: _____ Area/Street Name: _____ Ward No: _____

VDC/Municipality: _____ District: _____ Tel No: _____

Permanent Address:

House/Block No: _____ Area/Street Name: _____ Ward No: _____

VDC/Municipality: _____ District: _____ Tel No: _____

Mailing Address: _____

House/Block No: _____ Area/Street Name: _____ Ward No: _____

VDC/Municipality: _____ District: _____ Tel No: _____

Tel No: _____ Email: _____ Mobile: _____

Employers Name & Address: _____

_____ Tel No. _____

Firms Name & Address (if self employed): _____

Tel. No. _____ Fax No: _____ E-mail: _____

APPLICANT- 3

Name: Mr./Mrs./Ms : _____

Nationality	Date of Birth	Type of Identification and Number	Date and Place of Issue
-------------	---------------	-----------------------------------	-------------------------

Name of Father/Mother: Mr./Mrs.: _____

Name of Grand Father/Husband: Mr. : _____

Residential Address (Please Specify) : Self Owned Family Owned Rented

House/Block No: _____ Area/Street Name: _____ Ward No: _____

VDC/Municipality: _____ District: _____ Tel No: _____

Permanent Address:

House/Block No: _____ Area/Street Name: _____ Ward No: _____

VDC/Municipality: _____ District: _____ Tel No: _____

Mailing Address: _____

House/Block No: _____ Area/Street Name: _____ Ward No: _____

VDC/Municipality: _____ District: _____ Tel No: _____

Tel No: _____ Email: _____ Mobile: _____

Employers Name & Address: _____

_____ Tel No. _____

Firms Name & Address (if self employed): _____

Tel. No. _____ Fax No: _____ E-mail: _____

FOR MINOR ACCOUNT

Name of Guardian: _____

Relationship with Guardian: _____ Tel. No. _____

Guardian's Address : _____

Note: The Bank shall hold the minor account when the minor account holder bend 18 years of age and the authority of guardian to withdraw fund form such minor account shall be ceased then after. Account shall be operative when minor account convert to major by the account holder after submitting a copy of valid identification certificate to the Bank

ACCOUNT DETAILS

Source of fund: Business Salary Remittance Account Transfer Student Other.....

Purpose of Account: Saving Salary Deposit Transactions Remittances Others

Initial Deposit Amount (Cash/Cheque/Draft):

Expected Monthly Income/Turnover: less than half a million less than one million more than one million

Expected monthly transaction: less than 10 transactions less than 15 transactions More than 15

Statement Frequency Quarterly Half yearly Yearly On Demand (Hold for collection).

Mode of Delivery: By Post Hold for Collection

OTHER BANK ACCOUNT DETAILS

Do you have accounts with other Banks Yes No

If Yes, Name of Bank _____ Account No. _____

Availing Credit facility with other banks: Yes No

If Yes, Name of the Bank _____ Type of Facility: _____ Total facility amount _____

INTRODCTION OF ACCOUNT (If any and if possible)

Introduced by: _____ Account Number _____

(introducer's name)

Contact No(s): _____ Signature(s) _____

FOR NON RESIDENT APPLICANT

Local Contact Person: _____

Relation with the contact person _____

Local Contact Address:

House/Block No: _____ Area/Street Name: _____ Ward No: _____

VDC/Municipality: _____ District: _____ Tel No: _____

Tel No: _____ Email: _____ Mobile: _____

Relationship to Account Holder: _____

MANDATE

I/We have read and understood and hereby agree to the Terms and Conditions (attached herewith) governing Customer Account Opening at Global Bank Ltd. Information provided herein are correct and true. I/We hereby agree to accept, abide and be bound by present and future rules, terms and conditions of the bank governing Customer Account Opening. In the event I/we fail to abide by such terms and conditions, I/we shall bear the damage and/or penalties as a consequence thereof. I/We agree and fully bear for such kind of consequences.

Signature/s of Account holder/s

Copy of identification documents: Citizenship certificate Passport Others:.....

SIGNATURE (S) OF APPLICANT(S)

Also to be used as specimen signature for account operations

Name _____

Name _____

Name _____

Photograph
Of Applicant No

Photograph
Of Applicant No

Photograph

Name _____

Name _____

Name _____

Operation of Account: Single Joint Others (Please specify)

Special Instruction if any: _____

NOMINTAION FORM (Applicable for Sole Account Only)

I _____ Son /Daughter of _____

Hereby nominate _____ to receive any sum of monies which may be due to

me from this account held by your Bank in the event of my death or incapability.

Nominee Father's/Mother's name _____ Nominees Age _____

Nominees Relationship to me: _____ Nominees Tel. No: _____

Nominees Correspondence Address _____

In case the nominee is a minor at the time of my death or incapability, I appoint Mr./ Mrs Ms. _____

Address _____ Tel No. _____

to receive all monies due to me on behalf of the Nominee.

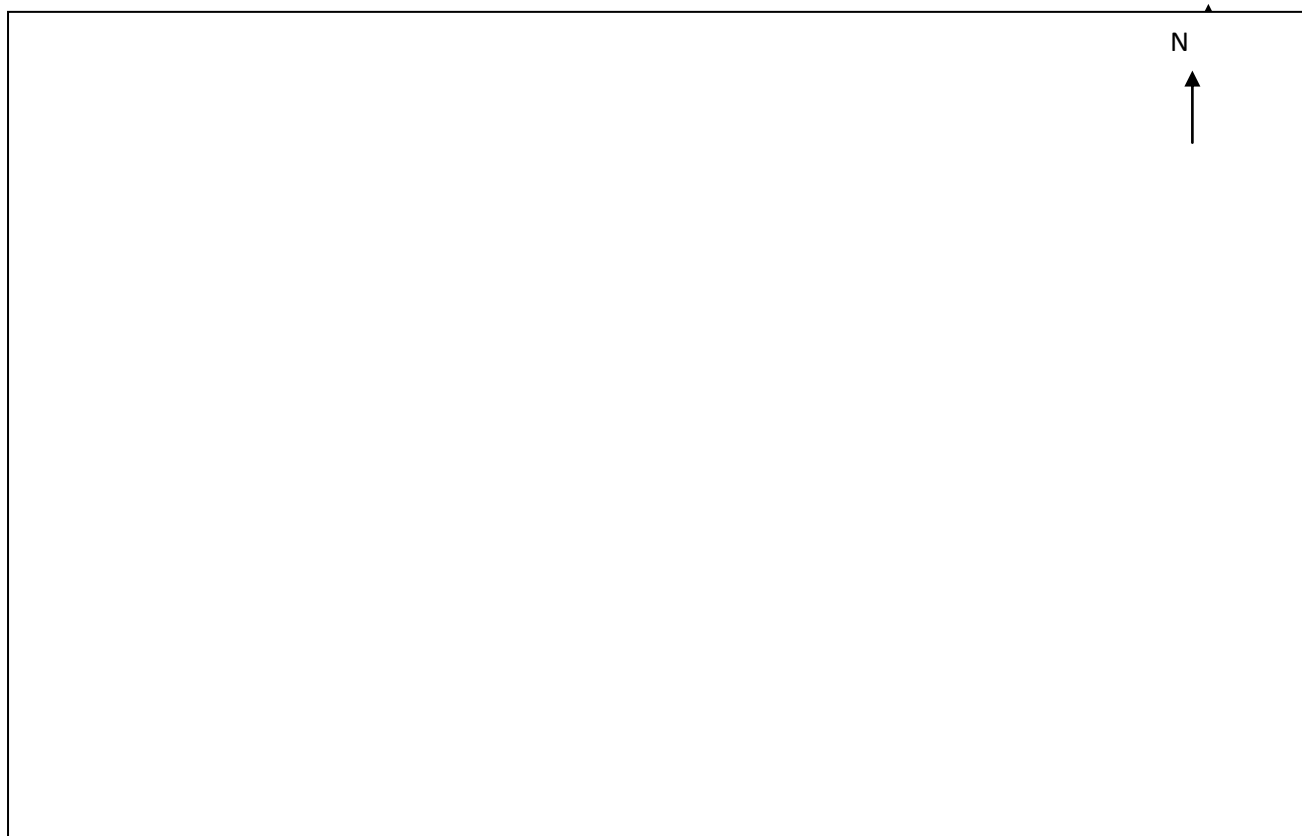
Photograph of Nominee



Signature/s of Account holder/s

Copy of identification documents: Citizenship certificate Passport Others:.....

LOCATION MAP OF RESIDENTIAL ADDRESS OF APPLICANT



- and I/We shall immediately notify the Bank if this or any of the cheques contained therein, is lost or stolen. I/We understand that the Bank may, in its absolute discretion accept from us any stop cheque instructions (either verbally or in writing) in cases where I/We have lost the relevant cheque or, in other circumstances in which it is allowed by the law and agreed by the Bank. Should the Bank accept any such instructions from us, I/We hereby undertake to indemnify the Bank against any loss, damages, costs (including any legal costs) or demands incurred by the Bank as a result of or in connection therewith. The Bank will not be liable for any loss due to payment of any lost or stolen cheques, unless the Bank had notice of such loss or theft at the time of payment.
- 32) I/We accept that the provision of any overdraft facility or other accommodation by the Bank to me/us may be granted or refused at the sole discretion of the Bank. The continuance or withdrawal of such facility or accommodation at any time is also at the Bank's sole discretion.
 - 33) I/We will be liable for any overdraft or other facilities arising in connection with any of the Accounts and I/We hereby authorize the Bank to debit any of the Accounts with all or any mark-up, commission and other banking charges, costs and expenses (including any legal costs) incurred in connection therewith at such rates as may be determined by the Bank from time to time in its absolute discretion. I/We will also pay to Bank any such amounts, in the manner and at such times, as may be required by the Bank in its absolute discretion.
 - 34) In case any and all amounts credited to Accounts during the period when any overdrafts or any other banking facilities in connection therewith are being provided by the Bank to me/us, such amounts shall firstly be applied by the Bank to reduce any mark-up payable on the overdrafts or any other banking facilities until the mark-up is paid in full. Only then any such amounts so credited be applied to reduce the principal amount of any such overdraft or any other banking facilities.
 - 35) The Accounts will be subject to applicable charges as per the Bank's schedule of such charges as revised from time to time. The Bank shall always be entitled without notice to me/us to recover from and debit the Accounts for any charges, expenses, fees, commissions, mark-up, penalties, withholding taxes, levies of government departments or authorities and any other impositions in respect of the Accounts or the balances in the Accounts. The Bank is authorized to reverse credit entries made in error. The Bank is also entitled to reverse debit entries made in error in relation to the accounts. Any charges debited by the Bank are not refundable upon closure of any or all of the Accounts.
 - 36) I/We authorize the Bank to accept for safekeeping, collection or for any other purpose, any securities or other property deposited with the Bank on our behalf or received from us and to release or to deliver or give up any such securities or property against my/our written instructions.
 - 37) The deposits and their payments are governed by the laws in effect from time to time in Nepal and are payable only at the branch of Bank Limited in Nepal where deposits I/We have made. The Bank has discretion to allow withdrawal at other branches in Nepal subject to the production of evidence of identity of the customer satisfactory to the Bank and to payment of any customary charges that may be levied by the Bank from time to time, for such deposits or withdrawals.
 - 38) The rate of any interest payable on any account may be displayed by the Bank at its various branches in Nepal and I/We accept that this rate may be subject to change without notice to me/us. Interest on saving accounts and Foreign Currency savings accounts is calculated on a 365 days basis on a monthly minimum balance to be paid on semi-annual basis, or as per Bank's regulation. The Bank shall have the exclusive right to determine the basis for the calculation of the amounts payable as interest on any Savings and Term Deposit accounts. No interest will be payable by the Bank on current accounts in any currency.
 - 39) I/We accept that unless specified otherwise, maturity value of foreign currency or rupee term deposits shall be automatically renewed for the same tenor at the prevailing interest rate of interest at the time of maturity of term deposit. Withdrawal of term deposits prior to maturity may be allowed at the discretion of the Bank and may attract penalties by way of forfeiture or reduction in the interest as the case may be, payable on maturity and/or charges which are subject to change without notice to us, as determined by the Bank.
 - 40) I/We accept that there are risks associated with the Accounts denominated in foreign currency. Accordingly, I/We accept that withdrawals from and credit to foreign currency accounts shall be subjected to availability of foreign currency notes at the time of withdrawal and subject to prevailing Nepal Rastra Bank and Nepal Government of Nepal's rules and regulations. I/We also agree that the Bank may decline acceptance of foreign currency notes for credit to the Accounts at the Bank's discretion.
 - 41) I/We accept that the Bank shall not be liable for unavailability of funds credited to the Accounts due to restrictions on convertibility or transferability or payment of funds, requisitions, involuntary transfer, acts of war, civil strike or other caused beyond the control of the Bank. I/We further accept that neither the Head Office nor any branch, subsidiary or affiliate of the Bank shall be liable for any consequences thereof, if due to any actions of or restriction imposed by Government of Nepal, Nepal Rastra Bank or any other authority or entity, any branch of the Bank is unable to either make payment to the customers at all, or to transfer such funds in such currency at all. I/We are solely responsible for all such risks and any associated costs and expenses howsoever arising (including without limitation, those arising from any international or domestic legal or regulatory restrictions) in respect of any such account. I/We agree that the Bank's determination of whether it is or is not able, given the prevailing applicable law and regulations, to make any payment from or permit any withdrawal or transfer from any Accounts shall be final and binding on the Customer and shall not be questioned.
 - 42) I/We understand that the statement of the accounts will be provided and sent by mail or kept on hold at the Bank at such frequency as the Bank may determine from time to time or as requested by the customer. Statement of account will be provided on a quarterly basis for Savings account and monthly basis for Current accounts unless otherwise advised. The contents of the statement of account will be treated as correct and conclusive and all discrepancies or objections, if any shall be deemed to be waived unless notified in writing to the bank within 30 days from the date of dispatch of the relevant statement. No statement of account will be sent or provided for a term deposit for which only deposit confirmation receipt will be issued. It is the responsibility of the account holder to provide the bank their correct and full address and any change in their address must be advised to the bank promptly. A flat fee according to bank's Standard Tariff of Charges will be levied in the event if the statement to be posted is returned undelivered on account of wrong/incomplete address. A fee according to Bank's Standard Tariff of Charges will be levied for each duplicate statement.
 - 43) I/We authorize the bank to respond, if it shall so choose, to any and all enquiries received from any other banks concerning the accounts without reference to me/us. For the avoidance of doubt, any such response may include a bank reference. I/We hereby authorize the bank to release any information in respect of the accounts and balances in the accounts to any authority demanding the same provided the bank bona fide believes it is obliged to release such information. No information to me/us shall be provided over telephone unless I/We have availed Telebanking services.
 - 44) I/We understand that I/We may close any of the Accounts by giving prior written notice to the Bank. The Bank may however, either, at its own instance, or at the instance of any court or administrative order, or otherwise close, freeze or suspend dealings in any of the Accounts without prior notice to me/us or, without being liable for any breach of any duty it may owe to me/us.
 - 45) I/We authorize the Bank to make disclosure in respect of the Accounts as may be required by any court order or competent authority or agency under the provisions of applicable law and/or otherwise to protect the interest of the Bank.
 - 46) I/We understand that the Bank may close any of the Accounts by giving a 60 days' notice to us. Any credit balance remaining due after expiry of 60 days will be sent by mail to me/us by a draft or pay-order in full discharge of the Bank's liability in respect of the Accounts.
 - 47) In relation to any dealings in respect of any of the Accounts, the Bank shall not be liable for any loss resulting from such dealings in the event of our incapacity or bankruptcy (or any other analogous events or proceedings) unless and until the Bank has received written notice of any such event together with such documentary evidence as the Bank may require. Further, the Bank, shall not be liable to me/us for any losses, damages or delay attributable in whole or in part to the acts or omission of any government or government agency or any other event outside the Bank's control including, without limitations, strikes, industrial action, equipment failure or interruption of power supplies.
 - 48) If conflicting or unclear instruction are issued by myself/ourselves or any of the persons authorized to operate the Accounts, the Bank shall be entitled forthwith to stop the operation of the relevant Accounts until such time as the dispute is resolved to the satisfaction of the Bank. I/We agree that the Bank will not be liable for failing to take any action in respect of the Accounts in the presence of conflicting or unclear instructions. I/We shall be liable for the repayment of any finance availed by me/us, together with return, interest and mark-up thereon at a rate determined by the Bank from time to time.
 - 49) Cheque-book to a third party will be delivered only after obtaining the identity document of the receiver and authority from me/us.
 - 50) Two different types of charges according to Bank's standard tariff of charges will be levied at the time of account closure i.e. one for account closed within 3 months and other for accounts closed after 3 months or as per the Bank's regulation.
 - 51) Accounts may automatically be closed if they carry nil, negative or balance less than the applicable ledger fee for 60 consecutive days.
 - 52) The Bank shall not be held responsible for any shortfall/shortages not brought to the notice of the bank during cash withdrawal at the bank's counter.
 - 53) I/We accept that the Bank shall have the right to refuse to open an Account or close an existing Account without assigning any reason. The Bank may prescribe minimum balance requirements for opening and/or maintaining Accounts. The prescribed minimum balance will always be maintained, failing which a monthly ledger fee will be levied.

Banking Instruction by facsimile

- 54) Unless I/We instruct the Bank in writing to the contrary (not withstanding the provisions of clause 1 hereunder), the Bank is authorized, but not obliged, to act on my/our banking instruction.
- 55) I/We shall release the Bank from and hereby agree to indemnify and hold the bank harmless from and against all actions, suits, proceeding, costs, claims, demands, charges, expenses, losses and liabilities however arising in consequence of, or in any way related, to:
 1. The Bank having acted in good faith in accordance with my/our written facsimile instruction which appear on their face to emanate from me, notwithstanding that such instruction(s), as above may have been initiated in error or fraudulently altered, misunderstood or distorted during communication; and
 - ii) The Bank having refrained from acting in accordance with my/our written, facsimile instruction including a failure to act by reason of failure of actual transmission thereof to the Bank or receipt by the Bank for whatever reason, whatever connected with fault, failure or unreadiness of the sending or receiving machine.

Notices

Any demand or communication made by the Bank under these Terms shall be in writing and made at the address given by the Customer (or such other address as the Customer shall notify the Bank from time to time) and, if posted, shall be deemed to have been served on me/us on the date of posting.

D. Acceptance of Terms and Conditions

I/We accept that the Bank reserves the right to modify these Terms from time to time. The revised or modified Terms will become effective upon notice being given to us, such notice being deemed to have been properly given, if the revised Terms are displayed or made available at the branches for a period of 15 days from the date of revision. I/We hereby waive any and all claims I/We may have against the Bank pursuant to the Accounts or these Terms unless such claim is based on fraud or wilful misconduct of the Bank. The Bank's interpretation of these terms shall be final and binding on me/us. I/We have signed the application form as a token of acceptance of the aforesaid Terms and I/We have read and understood the Terms prior to such signing.

Signature (Applicant 1)

Signature (Applicant 1)

Signature (Applicant 3)

Date

Documents Required:

- i) Complete Account Opening Form
- ii) Copy of Citizenship Certificate/Passport/Driving Licenses/Voters ID along with originals (for verification –copy to be retained)
- iii) Copy of birth certificate with original for minor account (for verification- copy to be retained)
- iv) In case of employee of Nepal Government, a copy of staff identification card.
- v) Documents evidencing residential address of the account holder id the address is other than that mentioned in Identification certificate e.g. copy of utility bill, copy of land ownership certificate, letter from ward officer, etc
- vi) Documents evidencing source of income (applicable for foreign currency account).