



Daffodil
International
University

Internship Report On

“Safeguarding Transaction-The role of money laundering in bKash Limited (MFS)”

Submitted to:

Dr. Md. Azizur Rahman

Associate Professor & Associate Head

Department of Business Administration

Faculty of Business & Entrepreneurship

Prepared by:

Mrittika Saha Mithila

ID: 201-11-6483

Program: BBA (Spring-2020)

Major: Finance

Department of Business Administration

Faculty of Business & Entrepreneurship



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bKash Limited (MFS)”**

Letter of Transmittal

Dr. Md. Azizur Rahman

Associate Professor & Associate Head

Department of Business Administration, FBE

Daffodil International University

Subject: Safeguarding Transaction-The role of money laundering in bKash Limited (MFS).

Dear Sir,

I express delight in providing the work on “Safeguarding Transaction-The role of money laundering in bKash Limited (MFS)” as a prerequisite of the BBA degree of the Department of Business Administration for your evaluation. I met all of the suggested standards and finished the report on schedule.

In addition to the theoretical understanding I have acquired, the internship process and report writing have allowed me to comprehend subject-related expertise. I have made every effort to ensure the outcome is thorough and educational. I anticipate that you will appreciate the report to meet your standards.

It must be said that I could not have finished this paper without your guidance and assistance. I would be happy to respond to any questions you may have about this report.

Yours Sincerely,

A handwritten signature in blue ink that reads "Mrityika Saha". The signature is written in a cursive style and is underlined with a blue line.

Mrityika Saha Mithila

ID: 201-11-6483

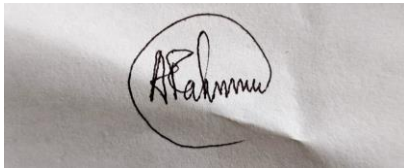
Program: BBA (Spring-2020), Major: Finance

Department of Business Administration, FBE

Letter of Approval

This certifies that Mrityika Saha Mithila, ID# 201-11-6483, BBA (Finance), has enrolled as an undergraduate student in Daffodil International University's Department of Business Administration, Faculty of Business and Entrepreneurship. She performed this internship under my direct direction after completing her internship program at bKash Limited proficiently. "Safeguarding Transaction-The Role of Money Laundering in bKash Limited (MFS)" is the topic of her internship assignment. The report, in my opinion, qualifies for partial credit toward the BBA degree. I further state that this work may not be tested in a real-world market context and that the study was developed solely for educational purposes.

After reading the report, I concluded that it was well-written. She worked alone to finish the report. I hope she has the best possible outcome in the future.



Dr. Md. Azizur Rahman
Associate Professor & Associate Head
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Declaration

I am Mrityika Saha Mithila, the student of Bachelor of Business Administration, bearing ID: 201-11-6483, Major in Finance from Daffodil International University (DIU). I do hereby solemnly declare that the internship report on “Safeguarding Transaction-The role of money laundering in bKash Limited (MFS),” has been authentically prepared by me. While preparing this internship report, I didn’t breach any copyright act intentionally.

I am further declaring that, I did not submit this report anywhere for awarding any degree, diploma or certificate.

Yours Sincerely,

A handwritten signature in blue ink that reads "Mrityika Saha". The signature is written in a cursive style and is underlined with a single blue line.

Mrityika Saha Mithila

ID: 201-11-6483

Program: BBA (Spring-2020), Major: Finance

Department of Business Administration, FBE

Acknowledgement

In the morning, I would like to sincerely thank Lord Krishna for providing me with the capacity and courage to complete the assignment in the allotted time.

I owe an abundance of gratitude to Mr. Md. Azizur Rahman, Assistant Professor & Associate Head. Department of Business Administration, Daffodil International University of Bangladesh, for his unwavering guidance and support throughout my internship. I received a great deal of assistance from him to get my report in an orderly fashion.

To, Shahrear Ahamed, ACA, CAMS, Deputy General Manager, AML & CFT, bKash Limited, I want to express my gratitude. And the entire External and Corporate Affairs (ECAD) department for their eagerness to share important material with me, which really helped me finish my internship report.

I also want to express my gratitude to the Legal team officer, Ms. Sohana Rashid Arthi, and the other officers for being helpful in providing the details I needed to know about the transaction monitoring.

I appreciate their assistance in providing me with the pertinent data regarding safe transaction monitoring & legal regulations at bKash Limited that I required in order to write this report. In addition, I want to express my gratitude to the entire bKash Limited, External and Corporate Affairs (ECAD) team for always being there to help me out when I needed it. I could not have completed this piece of work on my own without their assistance.

I sincerely appreciate all of the assistance that they provided.

Executive Summary

In the past few years, the MFS business has grown at a rapid clip, and one of the major players in this market is bKash Limited. This report explores the vital role that money laundering plays in bKash Limited's (MFS) as well as the precautions that the business has taken to ensure that payments are safe. My internship in the bKash Department of External and Corporate Affairs (ECAD) shaped the perspectives I provide here.

Serving as bKash's commercial and administrative arm, the ECAD department is essential to the company's ability to maintain positive working relationships with judicial and regulators. To handle compliance with regulations and external relations, two separate divisions within ECAD—Anti-Money Laundering and Counter Financing of Terrorism (AML&CFT) and External Affairs—work together.

To promote a cohesive and cordial relationship with legal and regulatory bodies, External Affairs plays a crucial role. This division acts as a liaison, making sure bKash complies with legal requirements and keeps good relations with outside parties. I was introduced to the complex mechanics of establishing and maintaining connections in a highly controlled business during my time as an intern in this sector.

However, inside the bKash ecological system, AML&CFT plays a crucial part in reducing the risks related to the laundering of funds. This section keeps a close eye on things and makes sure that merchants, agents, and customers aren't engaging in any illegal activity. The main goals are to protect transactions and stop the financial infrastructure from being abused for immoral ends.

I got the chance to support efforts targeted at bolstering the business's anti-money laundering safeguards as an intern in the AML&CFT division. This required learning about the regulatory environment, acquiring a sophisticated grasp of risk evaluation, and actively taking a role in the creation and application of safeguarding tactics.

Finally, this report will explore further the details of how bKash Limited is dedicated to protecting activities and avoiding the penetration of money laundering operations in its digital payment services via the coordinated efforts of its ECAD division.

Abbreviations

ECAD— External and Corporate Affairs Division

AML— Anti-money Laundering

CFT— Combating Financing of Terrorism

BFIU— Bangladesh Financial Intelligence Unit

KYC— Know your Customer

QC— Quality Check

Ltd— Limited

EDD— Enhanced Due Diligence

CDD— Customer Due Diligence

CAMLCO— Chief Anti Money Laundering Compliance Officer

DCAMLCO— Deputy Chief Anti Money Laundering Compliance Officer

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1.0. Introduction

1.0 Introduction:

1.1. Background of the study:

bKash Limited is a mobile financial service (MFS) company in Bangladesh, which is functioning as an affiliate of BRAC Bank Limited, and is subject to the jurisdiction and governance of Bangladesh Bank. It began as a partnership between Money in Motion LLC of the United States of America and BRAC Bank Limited (*About / BKash*, 2011). Customers of bKash may access a range of services, such as transferring and receiving local cash payments and placing funds into their smartphone accounts. Solutions like utility billing and recharges for phones are also available via the bKash application. Remittances, or receiving money from overseas, are another option available to users (*Product Services / BKash*, 2023).

In November 2021, bKash became Bangladesh's inaugural unicorn startup—a company valued at \$1 billion or more (*How Bangladesh's First and Only Unicorn Used "Human ATMs" to Promote Financial Inclusion - Rest of World*, 2023). bKash was listed in Fortune magazine's "Adaptation the World" list of the top 50 companies of 2017. Twenty-two percent of Bangladeshis use bKash, which handles 4.5 million transactions daily, as reported by Fortune (*BKash Ranked 23rd on Fortune's "Change the World" List | The Daily Star*, 2017).

As I worked in AML & CFT department and chose this topic regarding my report the main concern must be recognized here. Money Laundering is the main concern here and bKash Ltd. is regularly dealing to improvise this. Money laundering presents a complex danger to mobile financial services (MFS), since it can compromise both transaction accuracy and public confidence in the banking industry. Because these services are meant to be quick and easy to use, they may unintentionally draw illegal activity. For this reason, businesses such as bKash must take proactive measures to solve these issues. The development of bKash as a leading MFS operator has occurred with a growing governmental focus on anti-money laundering (AML) as well as terrorism (CFT) measures. Following strict legal regulations is imperative for bKash as a monetary of financial intermediary in order to keep its service from serving as an outlet for money laundering operations. It is clear that the company is committed to complying with regulations (Taher & Tsuji, 2022).

As the narrative progresses, it becomes clear that bKash Limited is aggressively tackling the money laundering issue and is aware of how serious it is. By means of technological innovation,

regulatory compliance, and a committed AML&CFT staff, bKash is putting itself in a position to protect its platform, guaranteeing the safety and reliability of transactions, and making a positive impact on the larger endeavor to battle criminal activity in the age of technology(*BKash/ Compliance / BKash, 2023*).

1.2. Problem Statement:

The widespread global problem of money laundering poses a significant obstacle for both banking entities and mobile banking services. In the field of mobile payments, bKash Limited has complex money laundering issues that require prompt attention and all-encompassing resolution. This problematic statement tries to outline the main areas that should be addressed about money laundering that are related to bKash Limited's activities and to clarify the possible consequences for the financial system and the nation as a whole.

- **Fundamental flaws in MFS:** By their very nature, mobile financial services prioritize ease of use and availability, fostering an isolated and fast-paced interaction atmosphere. This intrinsic characteristic offers difficulty in keeping track of every transaction, offering possible openings for illicit financiers to capitalize on the framework. The intricacy of identifying and stopping illicit financial operations is increased by the velocity and number of trades inside the bKash ecology.
- **Verification and Regulation Compliance Obstacles:** The framework of regulation that controls mobile financial services is complex and dynamic. It is imperative to adhere to strict regulations for the combating of money laundering and anti-finance of Terrorism (CFT), which necessitate the implementation of strong Know Your Customer (KYC) protocols.
- **The Evolution of Money Laundering Strategies and Technological Developments:** Technology is evolving quickly, which presents both benefits and difficulties. Technological advancements make financial services more efficient, but they also provide money launderers more creative freedom to create complex schemes. The effectiveness of bKash's illicit activity detection and prevention efforts is seriously threatened by strategies like activity layering, arranging, and taking advantage of weaknesses in technology.
- **bKash's Practical and Credibility Risks:** Following laundering of funds allegations, financial service companies run the danger of having their reputation damaged. For bKash, a drop in user acceptance and participation could result from a lack of trust among partners and

consumers. The long-term viability of bKash's activities may be jeopardized by operational failures, legal ramifications, and regulatory penalties.

A comprehensive strategy that incorporates technological advancements, compliance with regulations, and an upbeat mindset towards the continual evolution of money laundering techniques is necessary to tackle the issue of money laundering inside the activities of bKash Limited. It will look at the precise tactics used by bKash to address these issues and protect its services against the sneaky potential for money laundering(FATF, 2018; Maina, 2019).

1.3. Brief Summary of the Literature:

The literature on the subject, which focuses on bKash Limited, offers a thorough grasp of the difficulties and tactics involved in preventing money laundering in the mobile financial services industry.

Research highlights the intrinsic weaknesses of mobile finance platforms because of their focus on ease of use and quick interactions. The body of research emphasizes how important conformity to regulations practices are in reducing the likelihood of money laundering. This emphasizes how money laundering strategies are dynamic and how technology is presenting monetary companies like bKash with possibilities as well as issues.

The literature highlights the significance of taking an active part in stopping illicit financial transactions by outlining the possible practical and image issues for businesses that engage in this field. Additionally, it addresses the long-term ramifications of money laundering, highlighting how unregulated operations may manipulate economic data, jeopardize liquidity, and hamper a country's growth prospects. It clarifies the department's responsibilities for keeping cordial relations with governing bodies and putting policies in place to guarantee that neither consumers nor retailers take part in illegal activity.

As the literature develops, it offers insights into the complex issues bKash faces in protecting transactions. It establishes the framework for a more thorough examination of the business's plans and activities as well as the effects of its safeguards against methods of laundering on the larger

market for mobile financial services. The report's later sections will examine these elements in further detail.

1.4. Objectives of the study:

The objectives of the study are following here-

- To examine the possible threats and weaknesses in online banking networks that could lead to money laundering.
- To identify the tactics, tools, and laws that can be used to protect transactions made via the internet and stop money laundering.
- To investigate how digital banking guidelines such as- anti-money laundering laws, guaranteeing compliance and promoting a safe financial environment to prevent money laundering in bKash Limited.

1.5. Scope of the study:

This study aims to provide a comprehensive understanding of the complex environment surrounding financial transaction security within the framework of bKash Limited, a well-known mobile financial service provider. The main goals are to comprehend the obstacles that money laundering in the portable finance system presents and to look at the steps that have been taken. Investigate the laws and guidelines governing bKash's activities in the banking industry and make sure it abides by them. We'll investigate bKash's monitoring procedures for any unusual or illegal activity, particularly those pertaining to money laundering—the attempt by users to exploit the platform for illicit financial activity.

This research will examine the possible hazards that may be encountered in the event of allegations of money laundering damage. We're interested in learning how these challenges might influence people's confidence. This report focuses on how these manage regulations, technology, and obstacles to guarantee that each interaction is secure, compliant with the law, and advances the nation's economy.

1.6. Significance of the study:

The report's conclusions will offer useful information to help the financial sector and other comparable organizations integrate their activities with strict anti-money laundering laws. The general resilience of the country's finances is enhanced by this study. The efficient operation of the monetary system and the promotion of long-lasting prosperity are guaranteed by the effective countering of illicit financial activity. Precisely these are-

- Help to strengthen the Integrity of the digital banking industry in Bangladesh.
- Can increasing compliance of BFIU
- Maintaining Credibility and Integrity
- Supporting Stability in the Economy

1.7. Limitation of the study:

There are a few intrinsic constraints to this investigation into the function of money laundering in the setting of mobile financial services that need to be recognized.

First, the simplicity and affordability of pertinent data may place limitations on the report's scope. Important data is frequently held by financial institutions, and privacy and anonymity issues may restrict how much of this data can be accessed or shared.

Second, it might be difficult to stay up to date with the most recent advancements due to the fast changing nature of technology. Since money launderers' methods are always changing, it's possible that the survey didn't include the newest tricks or innovations in technology.

Thirdly, there could be limitations on the study's level of analysis. Owing to the intricacy of the topic, it may not be possible to provide a comprehensive analysis of every facet, which could result in certain parts being overlooked.

There could be restrictions on the report's predictability. Taking into account the various legal frameworks and operational frameworks in different locations, the conclusions and recommendations might not be generally relevant to all. The chronological scope of the investigation may be limited by practical limitations like timelines and access to resources.

2.0. Company Overview

2.0. Establishment of the bKash Limited:

In the year 2010, Kamal and Iqbal Qadir announced bKash in the MFS format. The Qadir siblings provided cellular banking services to Bangladesh in the second half of 2000 after their services gained traction in the Philippines, Kenya, and other emerging economies. In 2008, the brothers began working with BRAC's chairman, Sir Fazle Hasan Abed, to find a local collaborator. They decided to establish a partnership between Money in Motion and BRAC Bank.

Three basic features were available when bKash launched in Bangladesh in July 2011: "Cash In," "Cash Out," and "Send Money." This was carried out with the understanding that more than 70% of Bangladesh's population lives in isolated areas without access to conventional financial institutions(*The Story of BKash / The Daily Star*, 2014).

2.1. Mission:

bKash provides reliable, feasible, and affordable banking amenities to increase the size of the monetary security net. bKash is developing an MFS based on an incredibly adaptable mobile banking foundation to allow Bangladeshi individuals to safely send and receive money via portable devices(*The Values That Uphold Us / BKash*, 2022).

2.2. Products & Services:

With a regular phone, users can connect to the bKash assistance through a USSD interface. There are minimal fees associated with paying out and sending money to other users, and there are none associated with paying in. With the help of these bKash characteristics, BOP users may send funds carefully, swiftly, and economically. "Guidelines on (MFS) for the Banks" was released by the Bangladesh Bank in 2011. The collection of bKash goods at a glance includes Currency In, Transfer Money, Funds Out, Income Reimbursement, Income Against Deposits, Loan Installments, ATM departure, Merchant Settlements, Smartphone Airtime Rejuvenate, and Foreign Transmission. The collaboration among Western Union, MasterCard, and bKash has enabled Bangladeshis to receive their abroad contributions. As a result, people who are far from their homeland may transfer money to their relatives who reside in Bangladesh via Western Union.

Using this method, everyone with a working bKash profile can access their funds instantaneously, 24/7. The fact that the money is transferred across MasterCard's secure infrastructure further assures the efficacy of this novel service(*Product Services / BKash, 2023*).

2.3. AML & CFT Legislative Activities:

The monetary support of violence and money trafficking has grown in importance in the past few years. The Bangladesh Financial Intelligence Unit (BFIU) was established as a key organization to fight money laundering (ML), sponsorship of terrorism (TF), and sponsorship of the spread of armaments of catastrophic destruction. MFS providers can now utilize BFIU Directive No. 20 to create a sector and perform their responsibilities. To comply to that, bKash Limited established the AML&CFT division in 2014. Major General (Retd) Sheikh Md. Monirul Islam has been named the department's CAMLCO; Mr. Saber Sharif is in the role of AML&CFT and DCAMLCO. The main functions of this section are customer due diligence (CDD) and enhanced due diligence (EDD). This department includes 8 teams which are mentioned in Table 1(Tasneem Jyoti, 2019).

Table 1: Teams in AML and CFT

➤ Strategic Compliance Team (SCT)	➤ Field Compliance Assesment (FCA)
➤ Risk Monitoring and Control Team (RMCT)	➤ Training Team
➤ Compliance Process Monitoring and Control Team (CPMCT)	➤ AML Governance
➤ Suspicious Transaction Report (STR)	➤ Suspicious Activity Report (SAR)

3.0 Literature Review

3.0. Literature Review:

With an emphasis on bKash Inc., the literature study that was generated from the resources that were supplied provides a thorough investigation of new risks in the field of MFS. The investigations mainly focus on the findings and research done on the bKash divisions of anti-money laundering (AML).

An in-depth investigation on the Anti-Money Laundry (AML) Division, bKash "In order to investigate the new risks that Mobile Finance Service providers—more especially, bKash—face, the author performs a case study. This study probably examines the ever-changing MFS market, bringing attention to issues and weaknesses found in the AML division.

To place their discoveries in the perspective of the wider scholarship on banking crimes, monetary laundering, and combating terrorism, investigates probably use a range of scholarly and commercial resources. It is difficult to assign particular academics to the work under evaluation in the absence of precise author identification. But it's safe to infer that the published study synthesizes appropriate hypotheses, frameworks, and data from experiments to lay the groundwork for comprehending the intricacies of emerging hazards in the MFS industry, especially those that fall under the remit for AML(Chowdhury, 2021).

A range of academic and industrial publications are probably consulted in this study's research of literature to provide a conceptual paradigm for comprehending fraud and unapproved payment procedures in the MFS trade, especially concerning bKash Ltd. The literature evaluation, which serves as a basis for the investigation's investigation of the latest techniques and difficulties in thwarting fraudulent operations, is anticipated to be contributed to by writers from related academic disciplines and professionals in the business. To create a thorough picture of the environment underlying the avoidance of fraud in this program sector, it may be expected that the assessment manufactures a variety of viewpoints, assumptions, and empirical information. Major concepts including technology advancements, legal frameworks, and economic best practices for preventing fraud and illegal payments are probably covered in the research study. Through utilizing the combined knowledge of multiple subject matter specialists, the study seeks to offer a solid theoretical framework that guides the ensuing investigation of bKash's particular metrics(Sadaf Benazir, 2022).

Examining the reliability of bKash operations in the years to come is probably going to provide an outlook on how secure they are going forward, especially when considering the possible risks associated with laundering funds. Considering an emphasis on bKash in particular, the literature evaluation for this project is anticipated to draw from an array of educational and industrial sources to create a theoretical framework for comprehending the upcoming security issues in mobile money transactions. The analysis of the literature is likely to include contributions from researchers in related domains like economics, safety research, and mobile banking services. The study could go into important subjects like the latest developments concerning financial wrongdoing, technological innovations in safeguards, and legislative frameworks designed to stop illicit money laundering. By merging ideas from numerous writers and resources, the paper attempts to give an in-depth account of the mathematical foundations connected to the potential privacy of bKash's payments. It is conceivable that the assessment of literature constructs expert viewpoints and current information to create a thorough grasp of the difficulties and initiatives involved in stopping the laundering of cash in the environment of Bangladesh's banking institutions(Haque, 2021a).

It is expected that the research's research review will synthesize current information and offer a thorough analysis of the conceptual structure of the difficulties and initiatives faced by Bangladeshi monetary institutions in their fight against money laundering.

3.1. Theoretical Review:

This presumably digs into the theoretical roots of the issues that modern MFS providers encounter. One expects a discourse on the swift expansion and assimilation of mobile financial services within people's everyday lives, highlighting the possible weaknesses and new risks linked to this innovation. The conceptual framework may investigate the dangers that come with the simplicity and simplicity that MFS provides, taking into account elements like the quickness of transactions, user diversity, and the ever-changing nature of monetary technologies. The analysis of theory may provide insight into the theoretical underpinnings of the bKash AML Department's policies and actions for reducing the risks associated with money laundering. The theoretical evaluation might provide insight into the theoretical underpinnings of the division's objectives and methods for reducing the danger of laundering funds. Money laundering prevention principles are probably going to be covered, highlighting the conceptual models that provide bKash's guidance for adhering to these rules. The inquiry may look into the significance of laws and regulations in forming philosophical viewpoints on money laundering mitigation, providing an intellectual foundation for the AML Division's actions. The global geography of financial offenses and how theories have changed in response to new threats may be discussed in this overview. This could involve talking about global best practices and standards for AML initiatives, providing a comparative viewpoint that improves the theoretical comprehension of the difficulties (Rubaiyat, 2019).

It appears from the evidence that this could offer a theoretical examination of the difficulties that bKash's AML&CFT division faces. This could include talks about the shortcomings of current theoretical structures in dealing with new threats, the difficulties of transnational operations, and the necessity of constant adaptation to keep up with changing strategies used by bad actors. With an emphasis on the particular setting of bKash's AML&CFT division, this analysis derived from this resource is anticipated to provide a detailed knowledge of the mathematical assumptions that guide the investigation of money laundering inside the MFS industry. By examining the complexities of prevention tactics, legal compliance, technology emancipation, and the continual theoretical difficulties bKash has in its attempts to protect against financial misconduct, it enhances the theoretical debate (Zaman, 2019).

The hypothetical theory might cover topics like how to incorporate cutting-edge technology like cryptocurrency and machine learning into bKash's security system. It might examine theoretical stances on how regulatory developments will influence safety precautions in future years, highlighting the significance of global collaboration and adherence to changing AML and CFT regulations. To understand how bKash strives to protect transactions without sacrificing user expertise, theoretical viewpoints on identity verification, confidentiality of information, and the moral consequences of strict security measures might be investigated. It is anticipated that the integrated conceptual examination from the aforementioned sources will offer a thorough grasp of the conceptual underpinnings supporting the prevention of fraudulent activity, the processing of unsanctioned payments, and upcoming security concerns in the MFS sector.

Discussions on global norms, the function of regulatory agencies, and the philosophical foundations of building a strong legal framework to combat money laundering may be included in these insider sources. The theory-based structures that tackle the difficulties in identifying and stopping money laundering operations may be examined, taking into account elements like the velocity of transactions, the rapid advancement of innovations, and the interdependence of financial institutions around the globe. The study may clarify theoretical issues regarding cooperation and information exchange between banks while highlighting the value of a team effort in the fight against illicit finance. It is possible to talk about conceptual paradigms for inter-institutional collaboration, partnerships between public and private entities, and the rationale for information exchange and standardization(Hossain, 2021).

It gives a theoretical prism through which one may appreciate the problems, regulatory bodies' circumstances, and theoretical concerns that impact the actions of financial organizations in safeguarding the reliability of the economy in Bangladesh.

3.2. Empirical Review:

The empirical evaluation can also point out specific cases in which the departments' tactics have worked to protect transactions and stop money laundering in the MFS industry. Sources may provide empirical information on the efficacy of bKash's preventative measures. Empirical data on the effectiveness of the AML and AML&CFT divisions in recognizing and decreasing possible money laundering risks may be included in this. Because the studies are observational, the empirical reviews may include qualitative information from case studies, interviews, or firsthand observations of the AML and AML&CFT departments in operation. The practical aspects of fighting money laundering in the ever-changing, technologically-driven world of mobile financial services require a grasp of these empirical insights(Haque, 2021b).

It most likely provides empirical proof of the tactics bKash used to address issues that were noticed. The study might provide useful illustrations of how the AML&CFT division applies risk evaluations, complying with regulations, and technological integration to empirical problems pertaining to financial misconduct. These studies provide insightful information that enhances the theoretical knowledge of money laundering avoidance in the mobile payments industry through empirical research and practical experiences(Zaman, 2019).

To put it briefly, an empirical investigation of such sources is anticipated to provide an in-depth comprehension of the way bKash Limited handles fraud and illicit payments, foresees potential security issues, and supports the larger initiatives of Bangladeshi financial institutions to prevent the laundering of funds. The function of the AML&CFT department in bKash is probably going to be a crucial component of this qualitative study.

3.3. Literature Gap Analysis:

The review of the literature that was produced using the materials that were supplied explores important facets of the Mobile Banking Service (MFS) sector, focusing especially on bKash Limited and larger initiatives to stop illicit financial transactions in Bangladesh's banking system.

Probably from within sources offers a thorough analysis of the tactics used by bKash to prevent fraud and illegal transactions. The research may examine the difficulties that the MFS sector as a whole and bKash, in particular, confront, illuminating the particular steps and technological solutions put in place to guarantee the safekeeping of money movements. Different steps might shed light on the creative fixes and industry best practices that bKash has implemented to lessen the dangers brought on by deceptive conduct. It may investigate how laws and technology will influence bKash transaction security in the future, giving readers a thorough grasp of the preventative precautions the company has taken. Various approaches and stages of investigation probably deal with the regulatory framework, cooperative efforts between financial companies, and the general tactics used to stop money laundering. This organization helps develop a comprehensive understanding of the varied strategies required for effective anti-money laundering activities in the nation by examining issues that confront the financial industry(Sultana, 2017).

With a particular emphasis on bKash Limited and the larger framework of Bangladesh's fight against illicit financial transactions, the written analysis I conducted utilizing data from my internship expertise, internal information, and pertinent academic sources offers a thorough understanding of the MFS sector. One can obtain a significant understanding of the complex tactics, difficulties, and upcoming factors influencing the monetary panorama in the area by combining the data from this research. The overall narrative put forward by these academic works depends on the function of bKash and the Anti-Money Laundering and Counter Financing of Terrorism (AML&CFT) mechanisms in this context.

4.0. Methodology of the Study

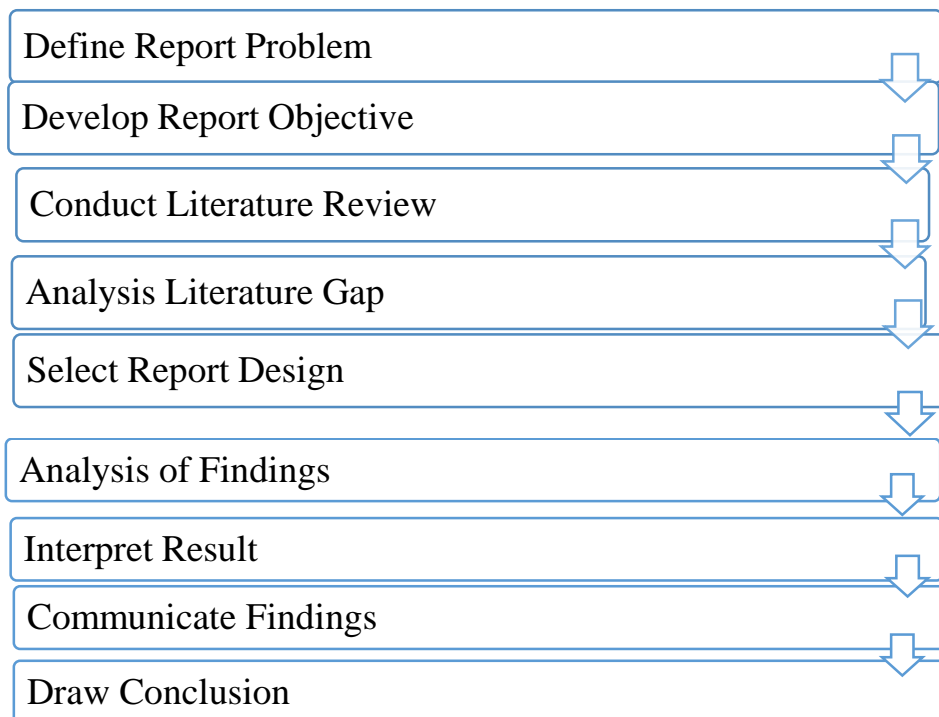
4.0. Methodology of the overview:

This report's technique takes an in-depth approach to analyzing the various facets of illicit financing within the framework of Mobile Financial Services (MFS) offered by bKash Ltd. The paper attempts to give an in-depth assessment of the difficulties, countermeasures, and potential solutions in the area of illicit financial transactions by combining philosophical frameworks with actual research.

The methodology enables a detailed investigation of the complex interactions among theoretical models, legal compliance, technical developments, and the real-world difficulties bKash faces in preserving the authenticity of its MFS infrastructure.

4.1. Flowchart Specification:

Table 2: Flowchart Specification



In this report I find out the main concern and chose to prepare this report based on it, which is “Money Laundering” concerning issue in MFS & Digital Banking. Money Laundering is causing impact even in economies. How bKash Limited’s is handling to mitigate this issue for holding up customers’ trusts. As I just completed my internship from this organization, especially in ECAD (AML & CFT division). So, from internally information from my respected colleagues, I tried to present the scenario at this report.

To develop main three report objective, I showed it at 1.4. with main concern.

Later on with the help of some relevant sources and articles of recent years & market evolving sources I tried to align and did a Literature Review including in Theoretical Review & Empirical Review. Which is in 2.0.

By doing the Literature Review it quite helped me to conduct the Literature Gap Analysis from the articles and sources.

The report design used in the paper is qualitative, with an emphasis on the depth based on which has been gathered from bKash Limited’s internally sources. Variety of findings rather than measurements of quantity. The technique seeks to provide a comprehensive picture of bKash's attempts to protect transactions from money laundering by combining mathematic and empirical one.

To prevent the money laundering all steps and solution came across in this report which is mainly my report result. Then on basis of report objectives came out all findings.

Lastly, over all a summary with solution and upcoming technological emerges with bKash Limited.

5.0. Findings

5.0. Findings of objectives:

The results highlight the intricate nature of Internet banking privacy, recognizing dangers and vulnerabilities while highlighting the effectiveness of particular strategies, instruments, and laws and regulations in bolstering activity protection. The report also reveals bKash Limited's comprehensive approach to complying with online banking regulations, especially against money laundering statutes, in order to establish a safe and law-abiding financial environment.

Findings of objective 01:

On the basis of my 4 months' tenure at bKash Limited I could conclude all the findings all together. The results show that bKash Limited and other online banking systems are vulnerable to several risks and flaws that may facilitate the laundering of cash. The aforementioned weaknesses cover things like theft of identification, unlawful access, and holes in the surveillance of transactions. The report highlights the necessity for strong safety precautions by identifying potential sources of vulnerability throughout the financial services system.

Financial services networks are crucial components of contemporary financial ecosystems, offering customers worldwide comfort and easy access. Nevertheless, this ease is accompanied by fundamental dangers, as hackers persistently search for weaknesses to capitalize on for illegal financial operations like money laundering. An essential aspect of preserving the security of the monetary system involves thoroughly analyzing the possible risks and vulnerabilities present in digital banking platforms. (Chowdhury, 2021).

Phishing attempts pose a significant risk to financial infrastructures. Cybercriminals frequently utilize advanced methods to trick consumers into revealing private data, such as login passwords and private details. Deception emails, which imitate authentic correspondence from financial organizations, can deceive unaware users into engaging in dangerous hyperlinks or downloading deceitful files. Upon being penetrated, attackers acquire illicit access to Internet banking finances, hence facilitating money laundering endeavors. Banks face the task of increasing user knowledge and implementing robust safety measures to reduce the hazards linked to spoofing. (Sadaf Benazir, 2022).

Malware penetration is another notable risk in financial infrastructures. Harmful software, such as Trojans and financial trojans, can infiltrate users' computers and clandestinely record clicking keys or get login information. By gaining covert access, fraudsters may clandestinely observe and alter online banking activities, hence helping illicit money laundering operations. Security experts have a persistent problem due to the constant development of ransomware. To counter possible threats, they must take proactive steps such as conducting frequent system scans, implementing firewalls, and educating users.

The lack of sufficient safety precautions in financial companies is a significant vulnerability that might potentially subject online banking systems to abuse. Obsolete software, unremedied vulnerabilities, and inadequate network security provide avenues for thieves to get illegal entry. To ensure the durability of their online banking networks amid advancing hazards, lenders must allocate resources towards implementing state-of-the-art cybersecurity technology, regularly perform safety checks, and swiftly rectify any identified weaknesses. The emergence of cell phone banking brings out further apprehensions over the integrity of monetary transactions carried out via phones and devices. Cellphones are vulnerable to a range of risks, including mobile-specific viruses, insecure Wi-Fi connections, and theft of the gadget itself. To avoid unwanted access and probable money laundering operations, it is crucial to prioritize safeguards of mobile payment applications by using powerful encryption, authentication using multiple factors, and safe coding methods.

Social engineering is a type of threat that focuses on manipulating people's psychology to trick them into revealing confidential information. Cybercriminals might utilize strategies such as premeditation, imitation, or bribery to take advantage of trust and influence customers in the secure online banking setting. It is essential to provide training to both bank personnel and clients to help them identify and reject social engineering efforts. This is critical in reducing the impact of this sort of danger, as individual mistakes continue to play a large role in the achievement of these assaults. The interdependent structure of the banking environment also entails the vulnerability to unknown breaches. Online banking infrastructures frequently depend on many third-party contractors and suppliers, each implementing their security protocols.

To summarize, the widespread use of internet banking platforms has fundamentally transformed the methods by which individuals and organizations handle their financial affairs. However, it has

also made the financial industry vulnerable to a multitude of risks and vulnerabilities. To tackle these weaknesses, a comprehensive strategy is needed that includes technology advancements, cybersecurity protocols, regulatory structures, and user awareness.

Findings of objective 02:

The analysis reveals a variety of strategies, instruments, and legislative frameworks that might successfully protect online transactions and reduce the possibility of laundering illicit funds. The results highlight the value of multi-factor identification, actual time process tracking, and encryption methods as useful instruments. Legal considerations, such as combating money laundering legislation and regulations, become essential parts of the defense against illegal financial activity.

Safeguarding online transactions and fighting illicit financing are vital for upholding the reliability and safety of banking systems. To accomplish these goals, a comprehensive strategy is necessary, which includes the implementation of diverse strategies, resources, and compliance with applicable legislation and regulations.

An essential strategy used to safeguard online payments is the adoption of strong encryption techniques. SSL, as well as TLS, are commonly employed cryptographic technologies that create an encrypted pathway between the consumer's internet device and the server. This guarantees the confidentiality of sensitive information, such as financial data, by preventing eavesdropping by malevolent individuals. (Haque, 2021b).

Activity tracking tools are crucial in detecting and thwarting money laundering operations. These systems utilize sophisticated statistics learning and intelligence techniques to examine transaction trends, identify irregularities, and provide warnings for additional examination. Banking institutions have the ability to swiftly react and limit the possibility of laundering cash by flagging unusual activities for human assessment.

The utilization of the Bitcoin block chain has arisen as a potent instrument in ensuring the security of Internet transactions and countering the illicit practice of laundering currency. The egalitarian and irreversible characteristics of block chain guarantee that when an activity is saved, it is impossible to modify, resulting in a visible and impermeable ledger. Digital currencies, frequently utilizing block chain technology, provide an alternate method for carrying out transactions while

mitigating the potential for conventional financial crime and the financial of currencies. (Zaman, 2019).

Effective cooperation amongst financial companies and regulatory agencies is crucial in combating money laundering. Adherence to anti-money laundering (AML) and know-your-customer (KYC) rules is legally required to guarantee that financial institutions possess a thorough comprehension of their clientele and may expeditiously notify authorities of any dubious transactions. Comprehensive anti-money laundering (AML) and KYC processes encompass meticulous examination of customers, continuous surveillance, and notification of any abnormal activities to regulatory bodies.

To summarize, ensuring the security of online transactions and combating money laundering need a thorough and cohesive strategy. The implementation of encoding, authentication with multiple factors, activity tracking systems, block chain-based gadgets, and AI/ML, in addition to rigorous adherence to AML and KYC laws, enhances the effectiveness of preventing illegal financial transactions. Enhancing the general robustness of the economic ecosystems is achieved through global partnerships, regulations, and instruction for users. With the advancement of technology, it is necessary to adapt the tactics and instruments used to safeguard digital transactions and maintain the credibility of the worldwide economy.

Findings of objective 03:

It demonstrates the organization's dedication to guaranteeing adherence to AML guidelines and fostering safe financial conditions. The results emphasize particular steps taken by bKash, like monitoring transactions and KYC standards, showing a proactive strategy to stop illicit financing and guarantee regulatory compliance.

Bash Limited, a key participant in the digital banking industry, works in a time period characterized by constant changes in the financial sector due to technical improvements and shifting preferences of customers. Adhering to strong digital banking norms is crucial in this ever-changing environment to maintain the integrity of financial systems, prevent illegal actions like money laundering, and promote a secure financial environment for all parties involved.

A fundamental element of Bkash Limited's dedication to upholding the most stringent standards in the sector is its rigorous compliance with anti-money laundering (AML) regulations. Anti-money laundering legislation is specifically crafted to identify and prevent the illicit transfer of monies within the financial system. Bkash acknowledges the significance of these rules in protecting its platform from being misused for illegal financial transactions. Bkash actively participates in the worldwide effort to prevent money laundering in addition to adhering to regulatory obligations by implementing extensive anti-money laundering procedures.

Implementing successful anti-money laundering (AML) safeguards requires a comprehensive strategy, beginning with strong customer identification and verification procedures. Bkash ensures the accuracy of user identification and the transparency of their transactions through the implementation of sophisticated identity verification technologies. This not only aids in deterring the use of fraudulent identities but also creates a robust framework for monitoring and reporting dubious actions, as required by AML regulations. In addition, Bkash Limited uses state-of-the-art transaction monitoring tools that analyze financial activities in real time. These systems are created to detect patterns that suggest possible instances of money laundering, allowing for prompt action and notification to the appropriate authorities. Bkash maintains its proactive stance by continuously enhancing these monitoring tools, enabling it to stay ahead of emerging dangers and effectively respond to the various tactics adopted by money launderers. Ensuring conformity with digital banking principles extends beyond just following legal mandates; it entails a dedication to ongoing enhancement and keeping up with the latest industry standards. Bkash Limited makes substantial investments in staff training and development programs to guarantee that its people are well knowledgeable about the most recent advancements in AML legislation and regulations. This not only enables the employees to identify and address any dangers, but also promotes a culture of adherence to rules and regulations across the whole firm. (Sultana, 2017).

Bkash Limited not only implements internal safeguards, but also actively collaborates with regulatory organizations and law enforcement agencies to exchange ideas, knowledge, and information regarding money laundering trends. The adoption of this cooperative strategy is essential in establishing a cohesive stance against financial crimes. Bkash enhances the overall resilience of the digital banking sector against money laundering concerns by actively engaging in industry forums and contributing to the development of regulations and recommendations.

Ensuring a secure financial environment entails both thwarting unlawful operations and enlightening users about the hazards linked to digital transactions and the need of prudent financial conduct. Bkash Limited demonstrates their commitment to client awareness by executing extensive promotions. These advertisements serve the purpose of not only emphasizing the security elements of the platform but also educating users about the warning signs of potential frauds and fraudulent activity.

Bkash utilizes sophisticated data analytics and artificial intelligence capabilities to optimize the efficiency of its anti-money laundering (AML) initiatives. These technologies facilitate the identification of intricate patterns and irregularities in transactional data that may elude conventional monitoring systems. Bkash can enhance its ability to detect and examine suspected instances of money laundering with more precision and speed by utilizing data analytics. Bkash Limited's corporate governance system is deeply rooted in its dedication to avoiding money laundering. The organization has a specialized compliance team that is responsible for supervising and implementing anti-money laundering (AML) rules and procedures. This team collaborates with external auditors to regularly evaluate the efficiency of the AML system, guaranteeing its strength and ability to withstand rising threats. (Sultana, 2017).

Overall, Bkash Limited's strategy for researching and combating money laundering is thorough and forward-thinking. Bkash showcases its dedication to responsible participation in the digital banking industry by adhering to rigorous anti-money laundering (AML) regulations, ensuring compliance through ongoing enhancements, and actively advocating for a secure financial atmosphere. Bkash's endeavors safeguard its platform and users, while also aligning with the overarching objective of establishing a secure and reliable digital financial ecosystem, in an age characterized by the pervasiveness of digital transactions.

6.0. Implications & Conclusions

6.0. Implications:

Considering the possible effects on the business, the financial sector, and Bangladesh's overall economic environment depends on the ramifications for the study on the function of laundering funds in bKash Limited (MFS). The following are the main consequences:

- The confidence of clients, retailers, and authorities is crucial, and any alleged breach in safeguarding against money laundering protocols might damage that confidence.
- Tighter laws might be implemented, necessitating ongoing improvement and adaptation of the business's combating money laundering plans.
- The initial integration of new clients may be impacted by the requirement for more reliable authentication procedures.
- Trust between customers and merchants is crucial, and any apparent weakness in bKash's infrastructure could cause them to look into other options.
- It can be essential to work together with digital companies that specialize in financial protection.
- Sustaining an upward worldwide image requires international cooperation and obedience to global norms.

6.1. Conclusions:

The report's conclusion makes it clear that bKash Limited, an esteemed provider of MFS, has a money trafficking function that necessitates a thorough knowledge and calculated approach. The research has examined the complex relationships between the management of fraudulent and illegitimate purchases, the foresight of upcoming safety concerns, and the larger framework of preventing illicit payments in Bangladesh's relying industry. The industry-wide initiatives aimed at preventing illicit financing are highlighted by the larger perspective on the banking sector in Bangladesh. Strengthening the protection versus money laundering requires a cooperative strategy combining regulatory agencies, financial firms, and MFS companies. The obstacles found in this area highlight the necessity of flexible tactics, improved regulations, and a coordinated sector approach to lessen the effects of illicit financing on the country's economy.

The discussion here essentially attests to the complex interactions among regulatory frameworks, monetary services, and the dynamic character of financial misconduct. The suggestions made highlight the need for bKash to be involved in creating a robust and safe MFS sector in the country in addition to strengthening its internal structures. Diligence, flexibility, and an unshakable dedication to the values of honesty and candor are necessary for the voyage ahead.

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