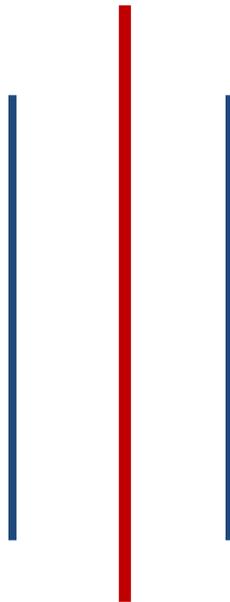
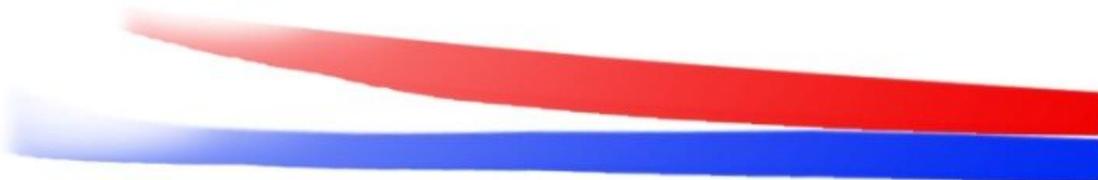




**Guidelines**  
**for**  
**Threshold Transactions Reporting (TTR)**



NEPAL RASTRA BANK  
FINANCIAL INFORMATION UNIT, NEPAL  
(FIU-Nepal)  
Effective from January, 2020





## Acronyms/Abbreviations

<b>ALPA</b>	Asset (Money) Laundering Prevention Act, 2008 (4 <sup>th</sup> amendment in 3 March, 2019)
<b>AML/CFT</b>	Anti Money Laundering and Combating the Financing of Terrorism
<b>BFI</b>	Bank and Financial Institutions
<b>DNFBPs</b>	Designated Non-Financial Businesses and Professions
<b>FIU-Nepal</b>	Financial Information Unit, Nepal
<b>NRB</b>	Nepal Rastra Bank
<b>REs</b>	Reporting Entities
<b>STRs</b>	Suspicious Transaction Reports
<b>TTRs</b>	Threshold Transaction Reports



## 1. Introduction

A Threshold Transaction Report (TTR) is a report that financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs) are required to file to FIU-Nepal for deposit, withdrawal, exchange of currency, or other payment or transfer; if it exceeds prescribed threshold limit. The TTR limit for various reporting entities is different as per their nature and scope. TTRs are very important to develop the data bank of customers/clients profile for future use in case such transactions happen to be connected with money laundering and terrorist financing offences. TTRs also help to form a link chart during the analysis of a STR and help the investigator/analyst to find the criminal elements involved in the transactions and convert the financial information into financial intelligence by adding value in it.

TTR is very important for both operational and strategic analysis. So in order to make filing of TTRs expedient for the purpose of aiding the financial analysis by forming financial intelligence from available financial information by adding value in it and preventing money laundering and controlling terrorist financing, this guidelines have been made and issued in exercise of power conferred by ALPA, 2008.

## 2. Specific Criteria for TTR

The specific criteria for TTR are as follows:

- a) Reporting entities are required to file TTRs to FIU-Nepal within fifteen days from the date of transaction.
- b) Threshold is different for different sectors.
- c) The threshold amount may be reached by a single transaction or by a series of transactions in cash\transfer into a single account or by a single customer over a period of one working day. It may be considered to be an aggregate transaction in cash\transfer exceeding the prescribed threshold within a single day.
- d) Cash does not include negotiable instrument, nor does it include a transfer of funds by means of bank cheque, bank draft, electronic funds transfer, wire transfer or other written order that does not involve the physical transfer of cash. These methods of transferring funds do not fall within threshold reporting obligation.
- e) Reporting entities should make its customer declare the source of funds in case the transaction exceeds the prescribed threshold.



### 3. Legal Obligations

As per section 10 (A) of ALPA, 2008, 1) Reporting Entity and the Office of the Government\* shall provide the report of amount for threshold transaction carried out by a person at a time or several transactions within a period of time as prescribed by the Rastra Bank within fifteen days of such transactions.

*\*Clarification: "Office of the Government" means the Office of Land Revenue, Office of the Company Registrar and other offices as prescribed by the Government of Nepal.*

2) The format, method and procedure of reporting TTR to be submitted under section 1) shall be as prescribed by FIU-Nepal.

**Note:** This guideline has been issued for REs to clarify the obligation to report threshold transactions exercising the power conferred by above mentioned section and 10 B (4) of ALPA, 2008.

### 4. Reporting Entities and Regulators

As per ALPA, 2008 "Reporting Entity" (RE) means Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBPs'). The reporting entities and their regulators are presented in Table 1:

Table 1: Reporting Entities and Regulators

S.N.	Reporting Entities	Name of Regulators
<b>a) Financial Institutions</b>		
1.	Bank and Financial Institutions	Nepal Rastra Bank
2.	Money Remitters	
3.	Money Changers	
4.	Securities Companies	Securities Board of Nepal
5.	Insurance Companies	Insurance Board
6.	Co-operatives	Department of Co-operatives
7.	Approved Retirement Fund	Inland Revenue Department
8.	Non-Bank Financial Institutions (Employee Provident Fund, Citizen Investment Trust, Postal Bank)	Nepal Rastra Bank



S.N.	Reporting Entities	Name of Regulators
<b>b) Designated Non-Financial Businesses and Professions (DNFBPs')</b>		
1.	Real Estate Businesses/Agents	Department of Land Management and Archive
2.	Trust and Company Service Providers	Company Registrar's Office
3.	Casinos or Internet Casino Business	Ministry of Culture, Tourism and Civil Aviation
4.	Dealers in precious stones and metals	Inland Revenue Department
5.	Auditors and Accountants	Institute of Chartered Accountants of Nepal
6.	Notary Public	Notary Public Council
7.	Law Practitioners	Nepal Bar Council

Separate AML/CFT directives have been issued by the each regulators for reporting entities under their jurisdictions.

## 5. Reporting Thresholds for Reporting Entities

The regulators of REs have designated different threshold limits as stated in their AML/CFT directives. The designated thresholds for REs have been categorized into; 1) Bank and Financial Institutions and 2) Other Reporting Entities.

### A) Bank and Financial Institutions

Currently, the designated thresholds for Bank and Financial Institutions are as follows:

- Cash deposit or withdrawal of more than Rs. 1 million in one transaction or in a series of transactions in one day in single account.
- Cross border electronic or other transfer of more than Rs. 1 million by a customer in single or in a series of transactions in one day.
- Exchange of foreign currency equivalent to Rs 5,00,000/- or more by a customer in one transaction or in a series of transactions in one day.

#### **Note:**

*The REs should report TTR:*

- If the cash deposit transaction exceeds Rs. 1 million in one transaction or in a series of transactions in one day in single account.*
- If the cash withdrawal transaction exceeds Rs. 1 million in one transaction or in a series of transactions in one day in single account.*
- If the total of cash debit or credit transaction mentioned in i) and ii) exceeds Rs. 1 million individually i.e either deposit total or withdrawal total.*



- iv. TTR reporting should be separate for each of above mentioned category of TTR i.e.. TTR-Cash, TTR-Cross Border and TTR-FCY exchange in goAML.
- v. If the threshold reporting limit in either side of any category of TTR exceeds then entire transactions related to that category should be reported.

## B) Other Reporting Entities (REs)

The TTR limits for below mentioned Reporting Entities are as follows:

Table 2: Reporting Entities and Regulators

S.N.	Sector	Threshold
1.	<b>Insurance Company</b>	<ul style="list-style-type: none"> <li>• Purchase of life insurance policy with an annual premium of Rs 1,00,000/- or more, irrespective of whether paid once or multiple times in a year.</li> <li>• Purchase of non-life insurance policy with an annual premium of Rs 3,00,000/- or more, irrespective of whether paid once or multiple times in a year.</li> </ul>
2.	<b>Money Remitters</b>	<ul style="list-style-type: none"> <li>• Inward remittance of Rs 1 million or more in the name of a customer in one transaction or in a series of transactions in one day.</li> </ul>
3.	<b>Real Estate Business</b>	<ul style="list-style-type: none"> <li>• Purchase or sale of real-estate property of Rs 10 million or more by a customer in one transaction or in a series of transactions in one day.</li> </ul>
4.	<b>Securities Companies</b>	<ul style="list-style-type: none"> <li>• Purchase or sale of securities of Rs 1 million or more by a customer in one transaction or in a series of transactions in one day.</li> </ul>
5.	<b>Money Changers</b>	<ul style="list-style-type: none"> <li>• Exchange of foreign currency equivalent to Rs 5,00,000/- or more by a customer in one transaction or in a series of transactions in one day.</li> </ul>
6.	<b>Casinos or Internet Casino Business</b>	<ul style="list-style-type: none"> <li>• Win or lose of more than Rs. 1 million by an individual in one transaction or in a series of transactions in one day.</li> </ul>
7.	<b>Dealers in precious gems, stones and metal (gold, silvers, platinum, etc.).</b>	<ul style="list-style-type: none"> <li>• Purchase or sale of precious gems, stones and metal (gold, silvers, platinum, etc.) of Rs 1 million or more by a customer in one transaction or in a series of transactions in one day.</li> </ul>
8.	<b>Non Bank Financial Institutions (Employee Provident Fund, Citizen Investment Trust, Postal Bank)</b>	<ul style="list-style-type: none"> <li>• Deposit or withdrawal of more than Rs. 1 million in one transaction or in a series of transactions in one day in single account.</li> <li>• Cross Border Electronic or other transfer of more than Rs. 1 million by a customer in single or in a series of transactions in one day.</li> <li>• Exchange of foreign currency equivalent to Rs 5,00,000/- or more by a customer in one transaction or in a series of transactions in one day.</li> </ul>



S.N.	Sector	Threshold
9.	<b>Cooperatives</b>	<ul style="list-style-type: none"><li>• Cash deposit or withdrawal of more than Rs. 1 million in one transaction or in a series of transactions in one day by the member.</li><li>• Electronic or other transfer and payment of amount deposit or withdrawal of Rs 1 million or more in one transaction or in a series of transactions in one day by the member or any other person.</li></ul>
10.	<b>Accountants, Auditors and Notary Public</b>	<ul style="list-style-type: none"><li>• Purchase or sale of property or management of fund equivalent to Rs 1 million or more on behalf of a client in one transaction or in a series of transactions in one day.</li></ul>

Source: Different Regulators (as mentioned in Table 1) and FIU-Nepal

**Exception:**

The exception to threshold transaction reporting is as stated by regulators in their AML/CFT directives issued to reporting entities under its jurisdiction. **However, those exceptions do not apply for Suspicious Transaction Reporting.**

**Note:**

- For TTR reporting through goAML software REs should submit the report in prescribed format as per the goAML Schema and Operational Guideline, 2020 issued by FIU-Nepal.
- REs should submit the reports in prescribed format as per the AML/CFT directives issued by their respective regulators. Those reporting entity for which the regulator has not issued any AML/CFT guidelines need to submit the report as per this guideline.



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