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Board Attributes and Anti-Money Laundering Disclosure in the Banking Industry of Bangladesh

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ABSTRACT

The nature of the board is one of the major factors that might influence corporate disclosure practices. This study aimed to explore the board attributes that influenced the Anti-Money Laundering Disclosures (AMLDD) of the listed commercial banks in the Dhaka Stock Exchange (DSE). This research was conducted based on the secondary data (published annual reports of listed commercial banks) publicly available in Bangladesh. Here mortem data were used to explore the voluntary reporting practices of Anti-Money Laundering issues in Bangladesh. It was found that the professional's inclusion on the board and foreign members on the board had significantly influenced the AMLDD. This study did not explore all the components of the corporate governance practices rather it focused only on the influence of the board attributes over the Anti-Money Laundering Disclosures. The results of the study help the business entity to reshape its board composition to accelerate the Anti-Money Laundering movements in Bangladesh. However, policy makers may have the idea to identify the most significant board attributes that caused the disclosure of more Anti-Money Laundering information in public visibility. To the best of the authors' knowledge, this is a unique study in Bangladesh that adds value in designing the board composition which might entice organizations to disclose more Anti-Money Laundering information in the context of the emerging economy – Bangladesh.

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1. INTRODUCTION

Anti-money laundering has become a big challenge over the decades all over the world (Alsuwailem & Saudagar, 2020; Siddique, Nobanee, Atayah, & Bayzid, 2022; Tiwari, Ferrill, & Allan, 2024). Now it has become a universal concern to initiate anti-money laundering mechanisms to trace the funds of organized delinquencies (Umar, 2023; Zolkafilil, Syed Mustapha Nazri, Razali, Tarmizi, & Masum, 2023). Nazar, Raheman, and Anwar ul Haq (2023) found increasing trend of money laundering through 4 measurement models, namely (i) World Bank residual model, (ii) IMF shadow Economy (MIMIC approach), (iii) Unofficial Economy (UE) approach and (iv) tax evasion approach based on the amount of money laundering in seventy-seven countries. Money laundering activities have severe adverse effects on the development of the economy, government revenue, foreign investment, liquidity in financial institutions, and volatility in interest rates and exchange rates (Nazar et al., 2023). From the global context, there are various initiatives like the Vienna Convention, the resolutions of the International Organization of Securities Commissions (IOSC), the guidelines of the Financial Action Task Force (FATF), the Basel Committee Statement of Principles (BCSP), the 1990 Council of Europe Convention are operationalized to control the money laundering (Nobanee & Ellili, 2018). In addition, the World Bank has launched various initiatives to combat money laundering in member countries (Tiwari, Gepp, & Kumar, 2020).

Bangladesh is on the way to become a developing country as it complies with two conditions out of three set up by the United Nations in 2018 (Bhattacharya, 2018; Masum, Latiff, & Osman, 2020). The economy of the country will graduate to a developing country status by 2026 (Zafarullah & Haque, 2023). However, it is a concern to move towards developing country status if Bangladesh is still ranked as high-risk on the Basel AML Index, Bangladesh has not been able to clear its reputation as one of the vilest countries when it comes to money laundering cases (Ahmed, 2017; Ferdousy, 2022; Haq, Ayub, Yusoff, & Khan, 2021; Solaiman, 2018). Poor institutional framework, lack of good governance, intense corruption, disordered banking system, and agency problems are highly present in the country (Zafarullah & Haque, 2023).

The Black money holders are also responsible for bringing disaster in corruption and money laundering in Bangladesh as the Anti-Corruption Commission of Bangladesh provides the opportunity to whiten the black money (Solaiman, 2018). The wait-and-see policy of the regulators and their ostensible lack of understanding might facilitate money laundering in Bangladesh (Haq et al., 2021). Money laundering remains a pressing systemic and reputational threat for emerging financial systems; transparent anti-money-laundering (AML) disclosures are a visible mechanism through which banks demonstrate operational controls and regulatory compliance to supervisors, international counterparts, and market participants (FATF, 2020; Basel AML Index, 2024). In high-risk jurisdictions such as Bangladesh, where national AML efforts and Financial Intelligence Unit reporting have been subject to intense scrutiny, credible public reporting on AML arrangements will help to provide a signal that governance and controls are in place. Hence, governance mechanism is crucial as it represents a frontline defense in combating money laundering risk.

Board attributes are a central governance lever shaping whether AML policies are implemented effectively and subsequently disclosed. Directors with relevant professional expertise and genuinely independent

directors bring monitoring capacity and specialized knowledge that can increase both the quality and credibility of organization's disclosures. This will eventually strengthen the practical capacity of the organization to prevent, detect and deter laundering activity (Mohammadi et al., 2020; Mathuva et al., 2020; Hashmi et al., 2022). Empirical studies from comparable emerging markets show that board expertise and governance mechanisms are associated with stronger disclosures on anti-money laundering and related financial-integrity matters.

Since anti-money laundering disclosure is not mandatory in Bangladesh, very little information is disclosed by the banking and non-banking financial institutions in Bangladesh (Ferdousy, 2022). Although disclosure is not merely a reporting formality, it shows the accountability of an organization, that links board-level decision making to frontline compliance and supervisory oversight. Recent governance and anti-corruption disclosure research underscores how well-designed board composition can reduce information asymmetries and increase the transparency needed to make AML regimes effective (Previtali, 2023). Hence, this study aimed to explore the board attributes that influenced the Anti-Money Laundering Disclosures (AML) of the listed commercial banks in the Dhaka Stock Exchange (DSE).

This study was among the first empirical study that took the opportunity to fill-up the vacuum of dealing with voluntary anti-money laundering disclosures by the banking industries in Bangladesh. Here the diversity of board members in disclosing the anti-money laundering information were examined to understand which attributes of the board members influenced the banking organization to disclose more anti-money laundering information.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

In the modern era, business organizations operate beyond the scope of their financial motive rather the holistic demonstration of accountability is also a core issue towards the stakeholders of the business. Nowadays, the business entities are not only accountable to its core stakeholders – owners but also accountable to its broad networks of stakeholders (Freeman, 1984). In this empirical research the Stakeholder's Theory best matched the objectives of the study. Firstly, the AML disclosures expanded the scope of corporate reporting in addition to its financial disclosure. As the Stakeholder's Theory focuses on the holistic demonstration of accountability, it will be expedited further by disclosing more AML information by the business entities (Freeman, 1984). Secondly, corporate disclosure is not a mode of information transmission but also it is used as a strategic tool for legitimacy (Freeman, 1984). From this context the AML disclosures can be used as a tool that shape the strategy of a business towards its various stakeholders aligning with the stakeholder's theory. Finally, Stakeholders theory recommends that information asymmetry brings lack of trust which can be minimized through disclosing more information by the business entity particularly disclosing more AML information (Freeman, 1984). This empirical study develops the hypothesis based on this proportion of stakeholder's theory to achieve the objectives of the study.

It is well established in the business community and literature that the board is one of the most powerful and significant factors that can influence the outcome of a company in terms of environment, effectiveness, productivity, and social responsibility (Hasan, 2020; Molla, Hasan, Miraz, Azim, & Hossain, 2021; Pi & Yang, 2023). Rahman (2015) and Pavone and Parisi (2018) also documented that efficient AML practices

accompanied by good governance may reduce the pervasiveness of money laundering. The banking industry can play a pivotal role in disseminating anti-money laundering disclosures inside the economy (Ferdousy, 2022; Nazar et al., 2023; Nobanee & Ellili, 2018). Accordingly, this study explored the relationship between board attributes and AML disclosure in the banking industry of Bangladesh.

2.1 Independent Director and Anti-Money Laundering Disclosure

Board independence is a determinant issue that has an active and dormant influence on the performance and work environment. From the literature, it's very important to have independent directors on the board who can ensure the rights of the stakeholders or fight for them. Moreover, they are very much concerned about their reputation, which motivates them to work for the best interest of the company. Previous studies have documented that the presence of independent board members may lead to higher disclosure which helps to reduce fraud and money laundering (Mousavi, Zimon, Salehi, & Stepnicka, 2022). Moreover, the study by Masud, Bae, Manzanares, and Kim (2019) discovered that the board attributes had a significant influence on corporate corruption disclosure which may enhance the AML activities within the organization. Accordingly, this study hypothesised that:

H1: There is a significant positive relationship between independent directors and anti-money laundering disclosure

2.2 Board Professionalism and Anti-Money Laundering Disclosure

Professional means someone is an expert in his or her field of study or activity. The presence of professional members on the board is essential considering the competitive business environment. It is assumed that a professional members can do his/her job more efficiently and produce better results than the non-professional member (Kaplan & Minton, 1994). Moreover, a person with financial or accounting expertise may guide the board to disclose more financial information which may ensure transparency and accountability (Mathuva, Kiragu, & Barako, 2020; Rathnayake & Sun, 2017). Understandably, better disclosure may help to reduce the practice of money laundering which also diminishes the level of financial fraud. The study of Xu, Zhang, and Chen (2018) also suggested that the CEO's expertise may also help to identify financial fraud opportunities based on their situational motivations and personal characteristics. Accordingly, this study hypothesized that:

H2: There is a significant positive relationship between board professionalism and anti-money laundering disclosure

2.3 Gender diversity and Anti-money laundering disclosure

A recent study suggested that the presence of female members on the board is an influential factor for effective decision-making. It is also believed that female board members have a high level of information sharing with less censorship and a high level of influence over the board (Elstad & Ladegard, 2012). Moreover, the presence of female board members or the board with a female CFO or CEO are less likely to engage in accounting fraud as well as money laundering activities (Lenard, Yu, York, & Wu, 2017; Liao, Smith, & Liu, 2019). Accordingly, this study hypothesized that:

H3: There is a significant positive relationship between gender diversity and anti-money laundering disclosure

2.4 Foreign Board Members and Anti-Money Laundering Disclosure

Anti-money laundering (AML) is a recent focus of regulators all over the world (Alsuwailam & Saudagar, 2020; Keesoony, 2016; Mugarura, 2020). Accordingly, the board has to take different initiatives to comply with and execute their prescribed guidelines for preventing money laundering activities (Mathuva et al., 2020; Mohammadi, Saeidi, & Naghshbandi, 2020). A higher volume of exports and international transactions increases the money laundering risk (Ghulam & Szalay, 2023). The presence of foreign members on the board may help to understand the issue directly associated with money laundering and oversee the activities to prevent those by offering better disclosure and supervision. Accordingly, this study hypothesizes that:

H4: There is a significant positive relationship between foreign board members and anti-money laundering disclosure

3. METHODOLOGY

3.1 Data Design and Construction of Final Sample

This study was a quantitative study, which aimed to identify the most important determinants of the anti-money laundering disclosure. All the commercial banks listed in Dhaka Stock Exchange (DSE) were used. Commercial banks were selected because they were well regulated as compared to other organizations, especially in the context of anti-money laundering reporting policy. From the entire population of thirty-three companies for ten years (330 annual reports) starting from 2011 to 2020 a purposive sample of 230 annual reports was finally used in this empirical study. The total population of the DSE listed banking companies could not be managed as some of the annual reports were not available during the tenure of 2011 to 2020. Moreover, some of the companies were incorporated after 2010-2011. In addition, the audited annual reports were also missing in some companies. In this comprehensive study, annual reports were used as the source of anti-money laundering disclosure because annual reports were the most reliable and independently verified sources of disclosure for the companies (Masum, Hassan, & Jahan, 2019; Masum et al., 2020; Masum, Latiff, & Osman, 2021; Masum, Uddin, Ahmed, & Uddin, 2019).

3.2 Dependent Variables

In this study, the anti-money laundering disclosure were used as the dependent variable which was determined through the content analysis. The anti-money laundering disclosures were measured through an un-weighted disclosure index which consisted of six broad dimensions and fifty-nine items. An initial list of disclosure index was hoarded from the literature review (Nobanee & Ellili, 2018; Siddique et al., 2022). Furthermore, the applicability of the contents in the perspective of Bangladesh was cross-checked by managers of two commercial banks. Finally, a self-constructed disclosure index was developed and used in the selected samples. Details of the disclosure index having fifty-nine items are annexed in the Appendix. If a bank discloses any of the selected items, it was given “1” otherwise the score was “0”. Therefore, the maximum AMLD became fifty-nine. Further, this actual AMLD score was converted to a relative disclosure for comparative purposes. Finally, this relatively unweighted score was used to measure the anti-money laundering disclosure performance of the selected samples. For each of the selected bank’s annual reports, these fifty-nine items were searched by using two independent trained data coders. Lately, a paired t-test was conducted to examine whether there existed any significant differences between their findings.

3.3 Independent Variables

Board attributes are important corporate governance indicators mostly used in the previous literature (Masum et al., 2023). Board attributes have a significant impact on corporate disclosure as they are the core people who make major strategic and operational decisions of an organization (Ahmed, Uddin, & Masum, 2021). This empirical study considered four board attributes – Board professionalism, women on board, foreigners on board composition, and independent directors on board - as independent variables. Board professionalism was used as a binary variable indicating that if any bank included any professionals in their board they were given a “1” otherwise it was a score of “0”. Here professionals represented the chartered accountants, cost and management accountants, certified financial analysts, or similar professional people. Women onboard was determined by dividing the total female board members by the total number of board members. Foreign members on board were determined by the total number of foreigners on board scaling by the total board members of the selected sample. Board independence was measured by scaling the total independent board members by the total number of board members of the respective bank.

3.4 Control Variables

This study assumed four control variables – cash & bank holding, return on assets, size of the bank, and listing history of the bank (Nobanee & Ellili, 2018). Cash & bank holding were determined by the logarithm of total cash and bank holding of the bank. The size of the bank represented its magnitude in terms of its assets. For simplicity, the logarithm of the total closing asset was used in the study. Listing history was the difference between the annual report year and the current year. The last control variable return on assets was copied from the annual reports of the company. Measurement of the variables are given in Table 1:

Table 1. Measurement of Variables

Name of the Specific Variables	Core Variables	Measurement
Anti-Money Laundering disclosure	Dependent Variable	Binary variable generated through the Disclosure index
Broad professionalism		Having a score of “1” if BOD includes professional people in its board otherwise get “0”
Women on board		No. of women in the board scaled by the total board members
Foreigners on board	Independent Variables	No. of foreigners in the board scaled by the total board members
Independent directors on board		No. of indirect director in the board scaled by the total board members
Cash & cash Equivalent		Log of reported cash in the annual report

Name of the Specific Variables	Core Variables	Measurement
Return on assets	Control Variable	Reported net profit scaled by a average asset holding of the business.
Total assets		Log of average assets held by the business.
Listing history		Differences between the year of listing to the current year.

3.5 Model Specification

In this empirical study, based on the data set, the Breusch- Pagan LM test was conducted to identify whether the pooled OLS model or the random effects model was more appropriate for the study. Since the LM test was significant at $p < 0.001$ it became certain that the random effect was best suited for the study. However, the Hausman test was also conducted to identify whether the random effect or fixed effect was significant for the study. Based on the Hausman test ($p < 0.001$), the fixed effect was best suited for this empirical study. In addition, various diagnostic tests were executed to select the final AMLD model. From the VIF value, it became apparent that there were no multi-collinearity problems. From the Wooldridge test, there was no autocorrelation problem. The outliers were detected and eliminated through the Cooks distance test. Furthermore, Modified Wald statistics for group-wise heteroskedasticity were tested and it was found that there was a heteroskedasticity problem which was further rectified by using the robust option in the Stata (Law, 2018). Therefore, our final model was the fixed effect model rectified from heteroskedasticity problems.

$$\text{AMLD} = \alpha + \beta_1 \text{B_Pro} + \beta_2 \text{B_Wom} + \beta_3 \text{B_For} + \beta_4 \text{B_Ind} + \beta_5 \text{C_Cas} + \beta_6 \text{C_ROA} + \beta_7 \text{C_Siz} + \beta_8 \text{C_Lis} + \epsilon$$

4. RESULTS AND DISCUSSIONS

4.1 Descriptive Statistics

Table 2 illustrates that the Bangladeshi banks on average disclosed 23.08% of anti-money laundering-related disclosure with a standard deviation of 22.23% in their annual report which were very poor as well as very alarming for future smooth operations. Here, it was sharply visible that some banks disclosed very little (1.21%) information relating to anti-money laundering-related activities in their annual reports although some banks were disclosing more anti-money laundering information (77.23%) to raise a awareness among the stakeholders. These diversified scenarios of disclosures proved that the anti-money laundering issues were not considered vital issues by the listed commercial banks in Bangladesh. The empirical study also entailed that only 9.23% of the listed commercial banks on average had professional people on their boards with a standard deviation of 14.89%. It indicated that most of the banks had no professionals in their board composition. From Table 2, the lower obsession of women (18.45%) in the bank's board of governance was also visible. However, it was also interesting that some of the banks had almost fifty percent of the board members who were female. This empirical study also reported fewer foreign individuals in the

composition of the boards in Bangladeshi listed companies. On average only 5.16% of the board members were foreigners with a standard deviation of 15.11% even though most banks had no foreign individuals on their boards of governance. From Table 2, it was noted that 29.08% of the board members were independent directors with a standard deviation of 13.10%. One of the banks had 60% independent directors as well.

Table 2. Descriptive Statistics

Variables	Measurement Unit	Mean Statistics	SD Statistics	Minimum Statistics	Maximum Statistics
Anti-Money Laundering Disclosure	Percentage Binary variable	23.08	22.23	1.21	77.23
Professionals in Board Composition	Binary variable	0.12	0.14	0	1
Women's in Board Composition	Percentage	18.45	15.94	0	50
Foreigners in Board Composition	Percentage	5.16	15.11	0	25
Independent director in Board Composition	Percentage	29.08	13.1	12.5	60
Cash	Log of Actual Value	6.44	4.11	0.9	8.13
Return on Assets	Percentage	5.23	10.26	-31.69	144.89
Size of the bank in terms of assets	Log of Actual Value of Asset	8.87	0.87	6.17	11.78
Listing history of the selected company	Year	24.7	13.12	5	57

4.2 Correlation Analysis

From Table 3, it was sharply visible that board professionalism, foreign members on board, and listing history had a weak positive relationship with the anti-money laundering disclosure respectively with $r=0.051$, $r=0.031$, and $r=0.114$ at 1% level of significance. This result implied that banks that had professionals on their boards disclosed more anti-money laundering information in their annual reports. The upshots from Table 3 also implied that foreign individuals on board composition were also a critical factor in disclosing more anti-money laundering information in the annual reports. This empirical study

also represented that the listing history of the bank that was the more experienced bank in terms of incorporation had a significant role in disclosing more anti-money laundering information in their annual report. The women on board also had a weak positive relationship with anti-money laundering at the 5% level of significance whereas the cash holding and the return on assets had a moderate positive relationship with the anti-money laundering disclosure at the 10% level of significance. From Table 3, it was concluded that there was no multi-collinearity in the control variables and independent variables as none of their coefficient of regression (r) was more than 0.7.

Table 3. Correlation Analysis

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
AMLD (1)	1								
B_Pro (2)	0.051*	1							
B_Wom (3)	0.023**	0.251	1						
B_For (4)	0.031*	0.341*	0.512	1					
B_Ind (5)	0.144	-0.141	0.413*	0.231	1				
C_Cas (6)	0.551***	0.511	0.215	0.342*	0.111	1			
C_ROA (7)	0.413**	0.571***	0.116	0.215***	0.212**	-0.131	1		
C_Siz (8)	0.612	0.212	0.118	0.112*	0.312*	-0.122*	0.313**	1	
C_Lis (9)	0.114*	-0.231*	0.121	0.081*	0.229	0.014	0.216	-0.091	1

*1 % level of significance

**5 % level of significance

***10 % level of significance

4.3 Regression Analysis

Based on the empirical study, from Table 4, it was found that the professional's inclusion on board significantly influenced the AMLD with a $\beta = 0.023$ at $p < 0.001$. Therefore, the first hypothesis of the study assuming that there was a positive relationship between anti-money laundering disclosure and board professionalism could not be rejected. It implied that from the context of Bangladesh, the involvement of professionals in the board composition of a bank tended to disclose more anti-money laundering information in their annual reports. As the professional knows the consequences of non-disclosure of anti-money laundering information they are always enthusiastic to disclose more anti-money laundering information. In addition, based on Table 4, it was also found that Foreign members on board significantly influenced the AMLD with a $\beta = 0.055$ at $p < 0.05$. Hence, the third hypothesis of the study assuming a positive relationship between anti-money laundering disclosure and Foreign Members on Board was accepted. It implied that the inclusion of foreign members on the board induced the listed commercial banks to disclose more anti-money laundering information in their annual reports. As the foreign members have

vast knowledge, experiences, and international alignment they are always passionate to disclose more anti-money laundering information.

Table 4. Regression Analyses

Variables	Model 1 Pooled OLS	Model 2 Random effect	Model 3 Fixed effect	Model 4 (Rectification of heteroskedasticity problems)
<i>Dependent Variable – Anti-Money Laundering Disclosure</i>				
B_Pro	0.011 (0.091)***	0.009 (0.081)***	0.013 (0.093)***	0.023 (0.003)*
B_Wom	0.034 (0.143)	0.036 (0.146)	0.024 (0.241)	0.032 (0.131)
B_For	0.049 (0.087)***	0.039 (0.177)	0.051 (0.086)***	0.055 (0.026)**
B_Ind	-0.055 (0.153)	-0.045 (0.163)	-0.035 (0.172)	-0.025 (0.072)
C_Cas	0.021 (0.001)*	0.011 (0.031)**	0.022 (0.010)*	0.029 (0.009)*
C_Roa	0.54 (0.023)**	0.064 (0.039)**	0.087 (0.033)**	0.093 (0.038)**
C_Siz	0.123 (0.087)***	0.249 (0.047)**	0.228 (0.187)	0.298 (0.017)**
C_Lis	-0.015 (0.223)	-0.025 (0.531)	-0.043 (0.423)	-0.033 (0.223)
Constant	-15.851	-12.295	-9.019	-10.019
Adjusted R Square	0.487	0.213	0.442	0.542
Breusch- Pagan LM test	P <0.001			
Hausman Test χ^2 Sig.	P<0.001			
Modified Wald test	P<0.001			

Variables	Model 1 Pooled OLS	Model 2 Random effect	Model 3 Fixed effect	Model 4 (Rectification of heteroskedasticity problems)
N	230	230	230	

*1 % level of significance

**5 % level of significance

***10 % level of significance

Based on the empirical study, the second and fourth hypotheses of the study were not accepted as their regression coefficients were not significant. Therefore, from the context of Bangladeshi listed commercial banks, it can be pronounced that the women on board and the board independence had no significant role in disclosing anti-money laundering information in their annual reports. Conflict of interests and lack of accountability and transparency were dominating the anti-money laundering system in Bangladesh (Zafarullah & Haque, 2023) which in turn may reduce the value worthiness of women's inclusion in the board and independent director's role in decision-making.

5. CONCLUSION

The objective of this empirical study was to explore the board attributes that influence the anti-money laundering disclosures of the listed commercial banks in the Dhaka Stock Exchange. From this study, it was found that the inclusion of professionals and foreigners on board composition results in more confessions of anti-money laundering information by the listed commercial banks in Bangladesh. This indicated the need to have directors with professional qualification and experience to be onboard. Banks with foreign directors also had higher tendency to practice AML disclosure, perhaps there was high interest on AML disclosure due to the reporting practices that was exercised in their origin country. The Bangladeshi government had launched various regulatory and voluntary policies to control money laundering issues. However, it was still voluntary. Hence, the outcomes of the study will assist in understanding the board attributes that induced the banks to disclose more anti-money laundering information in their annual reports which were available to the public.

The study introduced opportunities for emerging research on anti-money laundering issues in Bangladesh. Firstly, it only considered banking organizations. and Non-banking financial institutions were also important to raise the anti-money laundering issues in the country. Secondly, the role of banking organizations in anti-money laundering disclosures can be further analyzed based on the Islamic and conventional banking philosophies. Thirdly, the association between anti-money laundering disclosures and loan defaulter banks can be examined. Fourthly, this study was based on secondary data, some observations and interviews of key banking personnel may provide more understanding of the release of anti-money laundering awareness by the banks. Finally, the quality of anti-money laundering disclosure across the South Asian countries can be analyzed which can be applied to similar economies more rigorously.

6. ACKNOWLEDGEMENTS/FUNDING

The authors declare that this research did not involve human or animal subjects since it is focusing on the data from companies' annual reports.

7. AUTHORS' CONTRIBUTIONS

Mofijul Hoq Masum: Conceptualisation, data collection and writing-original draft; **Salwa Zolkafil:** Conceptualisation, review writing, and editing for publication; **Sharifah Nazatul Faiza Syed Mustapha Nazri:** Conceptualisation, supervision, editing and validation.

8. DECLARATION OF GENERATIVE AI IN THE WRITING PROCESS

During the preparation of this work, the author(s) did not use any AI in the writing process.

9. ETHICS STATEMENT

The authors declare that this research did not involve human or animal subjects since it is focusing on the data from companies' annual reports.

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11. APPENDIX

1. General Anti-money laundering/ money laundering information disclosure

- 1.1 Anti-money laundering/ money laundering internal policies and procedures
- 1.2 Anti-money laundering/ money laundering compliance officer, program or department
- 1.3 Anti-money laundering/ money laundering employee training programs
- 1.4 Anti-money laundering/ money laundering cooperation among financial institutions and regulatory authorities
- 1.5 Independent audit of anti-money laundering/ money laundering
- 1.6 Raising awareness of anti-money laundering/ money laundering
- 1.7 Consultation with anti-money laundering/ money laundering specialists
- 1.8 International cooperation in anti-money laundering/ money laundering
- 1.9 National or international anti-money laundering/ money laundering committees
- 1.10 Screening of anti-money laundering/ money laundering-related information toward the Bank's staff, employees, and authorized representative of any civil or administrative obligations

2. Clients or Customers disclosure

- 2.1 Customer identification program by the entity
- 2.2 Customer Due Diligence Disclosure
- 2.3 Verification of identity
- 2.4 Customer Defined
- 2.5 Account Defined
- 2.6 Updating CIP for existing customers
- 2.7 Anonymous accounts
- 2.8 Reliance on the third party to do the customer due diligence
- 2.9 Verification of casino customers
- 2.10 Verification of financial aid activities and fund transfer
- 2.11 Verification of non-profit and charitable organizations
- 2.12 Verification of dealers and financial brokerage firms
- 2.13 Verification of insurance company's clients
- 2.14 Verification of audit firms and management consultant firms
- 2.15 Verification of rented safe deposit boxes

3. Transactions monitoring and investigations disclosures

- 3.1 Monitoring process
- 3.2 Roles and responsibilities
- 3.3 Investigation process
- 3.4 Suspicious activity red flags
- 3.5 Financial aids screening and monitoring

4. Risk assessment disclosure

- 4.1 Enterprise-wide risk assessment
- 4.2 Business line risk assessment
- 4.3 Customer risk assessment
- 4.4 Administration of Customer Risk Assessment
- 4.5 Office of Foreign Assets Control Risk Assessment
- 4.6 High-risk customers
- 4.7 Politically exposed persons
- 4.8 High-risk geographies
- 4.9 Non-resident and foreign person risk assessment
- 4.10 High-risk products, services, and transactions
- 4.11 Bulk shipment of currency
- 4.12 Bulk money transfer

5. Statistics and reports

- 5.1 Currency transactions reports
- 5.2 Suspicious activity reports
- 5.3 Reports of foreign banks and financial accounts
- 5.4 Reports of international transportation of currency or money instruments
- 5.5 Fund transfer recordkeeping
- 5.6 Recordkeeping of purchase and sale of monetary instruments

6. Use of technology to detect Anti-money laundering/ money laundering

- 6.1 Anti-money laundering/ money laundering training software
- 6.2 Suspicious transaction monitoring software
- 6.3 Suspicious activity report filling software

- 6.4 Case management software
- 6.5 Large currency transaction report filling software
- 6.6 Currency transaction report filling software
- 6.7 Customer information database
- 6.8 Customer risk assessment software
- 6.9 Customer verification software
- 6.10 Interdiction software
- 6.11 Other anti-money laundering/ money laundering training software