

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to 786 Investments Limited

Dates of Hearing

January 10, 2022

Order-Redacted Version

Order dated April 20, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of 786 Investments Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated March 19, 2021.
2. Name of Respondent	786 Investments Limited, (the Respondent and/ or the Company)
3. Nature of Offence	<u>Alleged contraventions of regulation 13(7), 6(5a), 3(1)(a), 6(8), 6(4) of the SECP (AML/ CFT) Regulations, 2018 and clause 7.3.3 of the Master Circular dated June 30, 2020 read with Section 282J (1) of the Companies Ordinance, 1984 and Section 40A of the Securities and Exchange Commission of Pakistan Act, 1997.</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have considered the written as well as verbal submissions of the Company and the Representatives respectively and of the view that justifications provided by the Representatives are not cogent as the non-compliances highlighted in the SCN are based on key information required for screening of the clients' database against the proscribed persons/ entities, as notified by NACTA and MOFA. Owing to maintaining inaccurate and incomplete information about some of the clients in database of the Company, screening of the clients rendered ineffective. Therefore, it was imperative that the Company undertook data audit on an ongoing basis to ensure accuracy and integrity of the database, to enable the Company to properly and effectively fulfill its obligations for screening of its clients, their beneficiaries and nominees.</p> <p>In exercise of the powers conferred under Section 282 J (1) of the Ordinance and Section 40A of the SECP Act, I, hereby, impose a fine of Rs. 300,000/- (Rupees Three Hundred Thousand Only) on</p>

	the Respondent on account of the conceded and established defaults of the AML Regulations and the Circular.
5. Penalty Imposed	Rs. 300,000/-
6. Current Status of Order	Penalty deposited and No Appeal has been filed by the respondents.