

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

In the matter of Show Cause Notice issued to Baba Equities (Pvt.) Limited

Dates of Hearing

May 23, 2022

**Order-Redacted Version**

Order dated June 30, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Baba Equities (Pvt.) Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated March 04, 2022.
2. Name of Respondent	Baba Equities (Pvt.) Limited (the Respondent)
3. Nature of Offence	<u>Alleged contraventions of rules 4(1) and 6(1) of the AML/CFT Sanctions Rules, 2020 (the Rule,) and regulation 31 of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 (the AML Regulations) read with Section 6(A)(2)(h) of the Anti-Money Laundering Act, 2010 (the Act).</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have reviewed the facts of the case and considered the written as well as oral submissions of the Respondent and its Representative in light of the applicable legal provisions and observed, with regard to the alleged violation of sub-clause of Note (i) of the Annexure 1 regulations 9(b) and 11 of the AML Regulations, the Respondent did not submit preinspection evidences of the highlighted instances. However, during the hearing, the representatives admitted that subsequent to the Inspection they have rectified it. Therefore, the Respondent cannot deny violation of the aforesaid regulations of the AML Regulations.</p> <p>In view of the above it is stated that contravention of sub-clause (o) of Note (i) of Annexure 1, regulations 9(b) and 11 of the AML Regulations has been established. Therefore, in terms of the powers conferred under Section 6(A)(2)(h) of the Act, I hereby impose penalty of Rs.40,000/- (Rupees Forty Thousand only) on the Respondent. The Respondent is advised to review its</p>

	AML/CFT policies & procedures to ensure that these caters for full requirements of the AML Regulations.
5. Penalty Imposed	Rs. 40,000/-
6. Current Status of Order	Penalty not deposited and No Appeal has been filed by the respondents.