

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

In the matter of Show Cause Notice issued to Brains Securities (Pvt.) Limited

Dates of Hearing

May 10, 2022

Order-Redacted Version

Order dated May 31, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Brains Securities (Pvt.) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated January 06, 2022.
2. Name of Respondent	Brains Securities (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 Rules) and note (i) of the Annexure I, regulation 8, 9, 11 & 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 considered the facts of the case and the written as well as oral submissions of the Respondent and its Representatives in light of the applicable legal provisions and observed that:</p> <p>with regard to the alleged violation of Note (i) of the Annexure I regulations 8, 9 and 11 of the AML Regulations, the Respondent failed to provide pre-Inspection evidence of the identified clients in the light of the aforesaid regulations. Further, during the hearing, the Representatives admitted the same and informed that subsequent to the Inspection they have rectified it. Therefore, the Respondent cannot deny from the violation of the aforesaid regulation of the AML Regulations.</p> <p>Therefore, in terms of powers conferred under 6(A)(2)(h) of the Act, I hereby impose penalty of Rs. 60,000/- (<u>Rupees Sixty Thousand Only</u>) on the Respondent. The Respondent is advised to examine its AML/ CFT policies & procedures to ensure that the</p>

	requirements contained in the AML Regulations are met in letter and spirit. in future.
5. Penalty Imposed	Rs. 60,000/-
6. Current Status of Order	Penalty not deposited and No Appeal has been filed by the respondent.