

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

In the matter of Show Cause Notice issued to Chubb Insurance Pakistan Limited.

Dates of Hearing

June 23, 2021

Order-Redacted Version

Order dated November 30, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Chubb Insurance Pakistan Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated May 31, 2021.
2. Name of Respondent	Chubb Insurance Pakistan Limited (the "Company")
3. Nature of Offence	Alleged contraventions of <u>regulations 6(3)(a), 6(4), 6(5a), 6(7), 9(4), 10(1) & (2), 11(2) and 13(7) of the SECP (Anti-Money Laundering and Countering Financing of Terrorism) Regulations, 2018 (the AML Regulations) read with Section 40A of the Securities and Exchange Commission of Pakistan Act, 1997 (the Act).</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have examined the facts of the case in light of the applicable provisions of the law and have given due consideration to the written as well as verbal submissions and arguments of the Respondent Company/Authorized Representatives. The Company has failed to comply with the mandatory requirements of regulation 11(2), 6(4) read with Annexure I, regulation 13(7) read with regulation 6(5a) (c) of the AML Regulations, for which the Company is liable to be penalized under Section 40A of the Act, which is reproduced as under:</p> <p>Section 40A of the Act states that:</p> <p><i>"Penalty for violation of rules, regulations, directives and notifications.-</i> <i>(1) Any person who contravenes or fails to comply with any provision of rule made under section 39 or regulation made under section 40 or directive or notification issued under this Act shall be liable to pay by way of a penalty a sum which may extend to ten billion rupees and where the contravention is a continuing one, a further penalty which may extend to one hundred thousand rupees for every day after the first which such contravention continues.</i></p>

	<p><i>(2) A penalty under sub-section (1) shall be imposed by the Commission after providing a reasonable opportunity of being heard to the party."</i></p> <p>In exercise of the powers conferred on me under Section 40A of the Act, I, hereby, impose a fine of Rs. 125,000/- (Rupees One Hundred and Twenty-Five Thousand Only) on the Company on account of the established defaults, as mentioned in the above paras. The Respondent Company is hereby directed to fully implement counter ML and TF measures including but not limited to formulation and implementation of policies, procedures and controls to ensure that the requirements contained in the AML/CFT Regulations are meticulously complied in true letter and spirit. It is further directed that the Company shall submit its compliance report to the Supervision Division (Onsite Department), within one month of the date of this Order in respect of all the obligatory measures regarding obtaining the requisite documents from its customers and risk categorization of customers.</p>
5. Penalty Imposed	Rs. 125,000/-
6. Current Status of Order	Penalty not deposited and Appeal has been filed by the respondents.