

Before Amina Aziz, Director/ Head of Wing (Adjudication-I)

In the matter of Show Cause Notice issued to Credit Control Services (Pvt.) Limited

Dates of Hearing

August 24, 2022

Order-Redacted Version

Order dated November 1, 2022, was passed by Director/Head of Wing (Adjudication-I) in the matter of Credit Control Services (Pvt.) Limited (Registered Intermediary). Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause notice dated August 16, 2022.
2. Name of Respondent(s)	Credit Control Services (Pvt.) Limited, (the Company and/ or the Respondent)
3. Nature of Offence	Alleged contraventions of Sections 7(A), 7(F), 7(G) and 7(H) of the Anti-Money Laundering Act, 2010 (the AML Act), read with rules 3(2), 4(1)(a) and 6(1) of the AML/CFT Sanctions Rules, 2020 (the AML Rules) and Section 6A(2)(h) of the AML Act.
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 verbal as well as written submissions and arguments of the Respondent. The Registered Intermediary was required to implement policies and procedures to ensure its compliance with TFS obligations imposed upon reporting entities. Although the Respondent has not formulated the policies/procedures / SOPs/ Manuals for KYC and CCD, Risk Assessment, and AML/CFT in writing, however, it is of the view that KYC procedures were amply undertaken and also submitted the excel sheet vide email dated August 26, 2022, where the record pertaining to the client was maintained. Moreover, the Respondent is also of the view that it deals with the banks and financial institutions for charge registration services, therefore, the risk of developing a business relationship with the proscribed persons or being a bank client is very low, as the bank must be carried out the evaluation of the clients/persons in accordance with its policies/procedures/manuals under the AML/CFT regime. On the contrary, pursuant to the provisions of Section 7A to 7H of the AML Act, every reporting entity is required to implement policies and procedures to ensure its compliance with the provisions of this Act and orders, rules or regulations made thereunder that impose TFS obligations upon reporting entities. The Respondent being a reporting entity cannot</p>

	<p>transfer its TFS obligations in terms of Section 7H of the AML Act to any other entity.</p> <p>In absence of any written policies and procedures to conduct CDD/KYC of the clients, to assess the AML/CFT risk to the business of the Respondent, designated compliance officer and the policies and procedures to ensure compliance with the provisions of the AML Act and orders, rules or regulations that impose TFS obligations, the non-compliance of Sections 7(A), 7(F), 7(G) and 7(H) of the AML Act are established, which attracts provisions of rules 3(2), 4(1)(a) and 6(1) of the AML Rules and Section 6A(2)(h) of the AML Act, however, considering that although the policies and procedures are not formulated in writing, the Respondent is maintaining the record and conducting CDD/KYC of its clients to some extent, a lenient view is being taken and I hereby, in terms of the power conferred under Section 6A(2)(h) of the AML Act read with rules 4(1) and 6(1) of the Rules, conclude the proceedings initiated against the Respondent through the SCN without imposing any monetary penalty. Nonetheless, the Respondent is hereby warned to ensure meticulous compliance with all the applicable provisions of the AML Act, particularly those of Section 7(A), 7(F), 7(G), and 7(H) thereof.</p>
5. Penalty Imposed	Warning
6. Current Status of Order	No Appeal has been filed by the respondent.