

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

In the matter of Show Cause Notice issued to Dawood Mohammad Securities Private limited

Dates of Hearing

February 21, 2022

**Order-Redacted Version**

Order dated April 06, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Dawood Mohammad Securities Private limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated December 28, 2021.
2. Name of Respondent	Dawood Mohammad Securities (Pvt.) Limited (the Respondent/ the Company)
3. Nature of Offence	Alleged contraventions of <u>rules 4(1) and 6(1) of the AML/ CFT Sanctions Rules, 2020 (the AML Rules) and regulation 31 of the Securities &amp; 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 AML Act).</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of the case and considered the written and oral submissions of the Respondent and material available on record, in light of the aforesaid legal provisions and observed that:</p> <p>i. With regard to observation regarding policy matter, it was observed that the initial policy submitted to the inspection team dated May 27, 2020 was deficient and various clauses of AML Regulations were highlighted which were found to be deficient in the Respondent's AML/CFT policy. Subsequently, the Respondent updated its policy in September, 2021. The Respondent also admitted that the policy was updated subsequent to the inspection period. Therefore, the Respondent was found to be in contravention of regulation 5(a) of the AML Regulations.</p>

	<p>In view of the foregoing and submissions made by the Respondent and its Representatives, contraventions of regulation 5(a) of the AML Regulations have been established. Therefore, in terms of powers conferred under 6(A)(2)(h) of the Act, a penalty of <u>Rs. 100 000/- (Rupees One Hundred Thousand Only)</u> is hereby imposed on the Respondent. The Respondent is advised to examine its AML/ CFT policy &amp; procedures to ensure that the requirements contained in the AML Regulations are met in letter and spirit.</p>
5. Penalty Imposed	Rs. 100,000/-
6. Current Status of Order	Penalty deposited and No Appeal has been filed by the respondents.