

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

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

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Dates of Hearing

February 16, 2022

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**Order-Redacted Version**

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

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated July 15, 2021.
2. Name of Company	Enrichers (Private) Limited (the Respondent)
3. Name of Individual*	The proceedings were initiated against the Company.
4. Nature of Offence	<u>Alleged contraventions of Section 6(A)(2)(h) of the Anti-Money Laundering Act, 2010 (the AML Act) read with rules 4(1) and 6(1) of the AML/CFT Sanctions Rules, 2020 (the AML Rules) and regulation 31 of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 (the AML Regulations).</u>
5. 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 as well as oral submissions of the Respondent in light of the applicable legal provisions and observed that:</p> <p>i. with regard to the violation of sub-regulations (1)(2)(3) of regulations 8 9 and 26(3) of the AML Regulations; and clause (m) &amp; (o) of Note (i) of Annexure 1 thereof, followings facts were noted:</p> <p>a. in six (06) instances, it was observed during the Review that the Respondent has subsequently provided KYC Forms/ checklists of the highlighted customers. However, the same was not completely filled and signed by the customer and the Respondent, which had also been admitted by the Respondent in the aforesaid response to the SCN;</p>

- b. in six (06) instances, it was observed during the Review that no documentary evidence was provided by the Respondent pertaining to signed SAOFs by the Respondent. Further, the Respondent admitted the said violation in its response to the SCN.
- c. in one (1) instance, the Respondent was responded at the time of Review that CNIC of two (02) customers/ nominees were expired and it has requested the customer for the updated CNIC.
- d. with regard to NADRA Verisys matter, the Respondent was responded at the time of Review that due to COVID-19, biometric verification was exempted and now they have for the said verification.

Keeping in view the above facts, the Respondent cannot deny violation of the aforesaid provisions of the AML Regulations.

- ii. with regard to the violation of sub-regulations (a), (b), (c) of regulation 10 of the AML Regulations, it is stated that the Respondent failed to provide pre-Review evidence in relation to screening of its customers including their nominee/ joint account/ authorized person from the list of proscribed/ designated persons at the time of account opening. Therefore, the Respondent cannot deny violation of the aforesaid provisions of the AML Regulations.
- iii. with regard to the violation of regulation 19 of the AML Regulations, the Respondent failed to provide pre-Review evidence to exhibits that it was fulfilling the requirements of the aforesaid provision of the AML Regulations at the time of Review. Therefore, the Respondent cannot deny violation of the aforesaid provision of the AML Regulations.
- iv. with regard to the alleged violation of regulation 27(1)(d) of the AML Regulations, the Respondent failed to provide pre-Review evidence in relation to have an independent audit function to test the AML/ CFT systems, policies and procedures. Therefore, the Respondent cannot deny violation of the aforesaid provision of the AML Regulations.

In view of the above, I am of the considered view that , contravention of regulations 8(1)(2)(3), 9, 26(3), 10, 19 and 27(1)(d) of AML Regulations; and clause (m) & (o) of Note (i) of Annexure 1 thereof has been established and same has also been admitted by the Respondent. Therefore, in terms of powers conferred under 6(A)(2)(h) of the Act, I hereby impose penalty of Rs.350,000/-

	(Rupees Three Hundred Fifty Thousand Only) on the Respondent. Further, the Respondent is advised to review its AML/ CFT policy & procedures to ensure full and timely compliance with all the requirements of the AML Laws in letter and spirit, in future
6. Penalty Imposed	Rs. 350,000/-
7. Current Status of Order	No Appeal has been filed by the respondents.