

Before Amina Aziz, Director (Adjudication-I)

In the matter of Show Cause Notice issued to GMI Capital Securities (Private) Limited

Date(s) of Hearing

December 14, 2022

Order-Redacted Version

Order dated December 16, 2022 was passed by Director (Adjudication-I) in the matter of GMI Capital Securities (Private) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated August 04, 2022.
2. Name of Respondent	GMI Capital Securities (Private) Limited (the Company and/ or the Respondent).
3. Nature of Offence	Alleged contraventions of Regulation 5(a), 9(b), 11, 21(2) and 23(2) of the Securities & Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 read with Section 6(A)(2)(h) of the Anti-Money Laundering Act, 2010 and rules 4(1) and 6(1) of the AML/ CFT Sanctions Rules, 2020 and regulation 31 of the AML regulations thereof.
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>a. With regard to the deficiencies highlighted in the AML/CFT policies the Respondent in its written reply has provided reference to all such clauses of their previous AML/CFT policies which broadly covers the areas of CDD, EDD and Beneficial ownership. Further, the Respondent has also revised its AML/CFT policy in response to the observations highlighted by the inspection.</p> <p>b. With regard to the evidence relating to the High-Risk clients, the Respondent provided documentary evidences which were already submitted in response to the LOF. The Respondent also provided its KYC/ CDD forms which depicts justification provided for low risk clients. Further, the Respondent identified the Beneficial owners of the clients.</p>

	In view of the foregoing and submissions made by the Respondent and its Representative, and in terms of powers conferred under 6(A)(2)(h) of the Act, I, hereby conclude the proceeding, without imposition of monetary penalty. However, the Respondent is warned to be careful in future regarding compliance with all the applicable AML/CFT laws.
5. Penalty Imposed	Warning
6. Current Status of Order (As of the uploading date)	No Appeal has been filed by the respondent.