

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

In the matter of Show Cause Notice issued to Kabraji & Talibuddin

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 Kabraji & Talibuddin (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)	Kabraji & Talibuddin, (the Respondent)
3. Nature of Offence	Alleged contraventions of Section 7(A) 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 and is of the view that during the period under review the Respondent has not incorporated the companies in the capacity of registered Intermediary and nor has extended services to the companies incorporated. The Respondent's engagements with Intermediary Clients were limited to the extent of advising them with regard to the incorporation process as prescribed by the Commission. The Companies were incorporated by the clients of the Respondent through their own accounts, therefore, all the necessary details including CDD documents were submitted by the clients of the Respondents to the Commission as a part of their incorporation process. The Respondent has taken copies of the CNIC of its intermediary clients to the extent of the persons/individuals who were obtaining the advice for the incorporation process and the same were provided along with a written response to SCN. However, other necessary information/documents with regard to the proposed subscriber, and directors of the company /entities, in respect of which the incorporation advice is being given, was not taken. Thus, all necessary documents pertaining to the customer's CCD were not obtained by the Respondent. It has also been noted that being a registered intermediary, the Respondent has AML policies and procedures in place.</p>

	<p>In view of the foregoing, although all the necessary CDD documents were not properly maintained by the Respondent, however, considering other factors as stated in Para 10 above, a lenient view is being taken this time, 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) thereof.</p>
5. Penalty Imposed	Warning
6. Current Status of Order	No Appeal has been filed by the respondent.