

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

In the matter of Show Cause Notice issued to Madina Corporation 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 Madina Corporation 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)	Madina Corporation (Pvt.) Limited, (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 Respondent is registered with the Commission as an intermediary under the Intermediaries Regulations since 2017 and being a registered intermediary, the Respondent was required to do CDD/KYC of its customer and to formulate and implement the policies and procedures to ensure its compliance with TFS obligations imposed upon reporting entities under the AML Laws. Although the Respondent has a very limited clientele, however, the law requires every regulated entity (registered intermediaries) to formulate and implement its policies and procedures to ensure compliance with AML/CFT requirements irrespective of the size/number of its clientele. The Respondent has failed to formulate its policies /procedures / SOPs/ Manuals to ensure compliance with AML/CFT laws despite the lapse of considerable time since the commencement of its operations. Admittedly, the Respondent did not implement the 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, therefore, violation/non-compliance of Section 7(A), 7(F), 7(G) and 7(H) has been established. Thus, the Respondent is liable to be penalized under rules 4(1) & 6(1) of the AML Rules; and Section 6A(2)(h) of the AML Act.</p>

	<p>In exercise of the powers conferred under Section 6 A(2)(h) of the AML Act, I hereby, a token penalty of <u>Rs. 10,000</u> /- (<u>Rupees; Ten thousand Only</u>) on the Respondent company on account of the aforesaid conceded and established non-compliances of the AML Act. The Respondent is directed to ensure meticulous compliance with all the applicable regulatory requirements of the AML Act particularly those of Section 7A to 7H thereof, in letter and spirit, in future.</p>
5. Penalty Imposed	Rs.10,000/-
6. Current Status of Order	Penalty not Deposited, No Appeal has been filed by the respondent.