



MEMORANDUM OF UNDERSTANDING

between

NATIONAL COUNTER TERRORISM AUTHORITY

and

**SECURITIES AND EXCHANGE COMMISSION OF
PAKISTAN**

Dated:- July 24, 2018

1. PARTIES

This **MEMORANDUM OF UNDERSTANDING** (“MOU”) is agreed on between the Securities and Exchange Commission of Pakistan (SECP) and the National Counter Terrorism Authority (NACTA).

1.1 WHEREAS:

- (i) SECP is responsible for the beneficial regulation of the capital markets, superintendence of corporate entities including the non-banking finance companies, insurance companies and associations with charitable and not for profit objects licensed under section 42 of the Companies Act, 2017.
- (ii) NACTA is responsible, *inter alia*, for receiving and collating data or information or intelligence, and disseminate and coordinate between all relevant stakeholders to formulate threat assessments with periodical reviews to be presented to the Federal Government for making adequate and timely efforts to counter terrorism and extremism and prepare comprehensive national counter terrorism and counter extremism strategies and its periodical review.

1.2 NOW THEREFORE, SECP and NACTA, recognize the need for cooperation and coordination to effectively carry out their respective statutory responsibilities for implementation of Anti Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime and maintain the highest level of oversight quality, while minimizing duplication of efforts. Accordingly, the SECP and NACTA are entering into this Memorandum of Understanding to establish a framework for collaboration, coordination, awareness raising and sharing of information in areas of common regulatory and supervisory interest for furtherance of objectives of SECP and NACTA.

2. Definitions

For the purposes of this Memorandum of Understanding:

- 2.1. “**Authority**” means the National Counter Terrorism Authority (NACTA);
- 2.2. “**Commission**” means the Securities and Exchange Commission of Pakistan (SECP);
- 2.3. “**Party**” means the Commission or the Authority, as the case may be;
- 2.4. “**Parties**” means the Commission and the Authority, jointly referred;

3. Objectives

Parties will coordinate with each other to facilitate usage of resources/infrastructure to promote effective implementation of AML/CFT regime through the following measures:

- 3.1 Coordinate Anti Money Laundering/Combating Financing of Terrorism efforts and assess the level of compliance of FATF recommendations from time to time.

- 3.2 Undertake joint research initiatives on areas of mutual interest, particularly relating to money laundering and terrorist financing.
- 3.3 Create awareness and sensitize financial institutions and associations with charitable and not for profit objects regarding best practices to be adopted relating to anti-money laundering and combating terrorist financing.
- 3.4 Coordinate public awareness initiatives on the aspects of safer charity and combating terrorist financing through the JamaPunji programme of SECP and other means as jointly agreed upon.
- 3.5 Conduct capacity-building workshops through training and mutual exchange of knowledge and experience.
- 3.6 Share data and information on NPOs/charities in accordance with the relevant laws.
- 3.7 Constitute a consultative group to share experience on AML/CFT and compliance of FATF Recommendations and to undertake policy dialogue for achieving uniformity in regulatory approach

4. Confidentiality of Information

- 4.1 To the extent permitted by applicable laws and in accordance with the regulations of the Parties, the Parties will establish and maintain such safeguards as are necessary and appropriate to maintain the confidentiality of all non-public information obtained under this MOU.
- 4.2 The Receiving Party will not furnish to any third party or make public any portions of the information or make public use of the non-public information obtained under this MOU without prior written approval by the Providing Party.

5. Effective date and termination

- 5.1 The MOU becomes effective on the day it is signed by the Parties and will continue to be in effect until the expiry of thirty (30) days after either Party gives written notice to the other Party of its intention to terminate.
- 5.2. The MOU will continue to have effect with respect to all requests for assistance that were made before the effective date of termination. In case the MOU is terminated, all the information provided under this MOU will remain confidential and will be treated according to the provisions of this MOU.
- 5.3 In the event that any dispute arises between the Parties concerning the interpretation of this MOU or any matter arising under it, the Parties shall endeavor to amicably resolve such differences within thirty (30) working days of the dispute arising.

6. Miscellaneous Provisions

- 6.1 The MOU is primarily a statement of intent to collaborate and cooperate, in connection with areas of common regulatory and supervisory interest in a manner


consistent with, and permitted by, the laws and requirements that govern the Parties.

- 6.2 It is anticipated that cooperation will include sharing of information, consultations on matters of common regulatory and supervisory interest, periodic meetings, written requests as needed, and other practical arrangements as may be developed by the Parties.
- 6.3 This MOU does not create legally binding obligations on either of the Parties and does not create any right enforceable against the Parties or any of their officers or employees or any other person. The MOU also does not confer upon any third-party the right or ability directly or indirectly to obtain, suppress, or exclude any information, or to challenge the execution of a request under the MOU.
- 6.4 Nothing in this MOU modifies in any way the ability and responsibility of the Parties to enforce their respective statutes, rules and regulations.
- 6.5 Nothing in this MOU shall be deemed to obligate the Parties to create or maintain any information.
- 6.6 The Parties may consult and revise the terms of this Memorandum of Understanding in the event of a substantial change in laws, practices, market or business conditions affecting the operation of this Memorandum of Understanding.

Signed on this 24th day of July 2018, between the National Counter Terrorism Authority and the Securities and Exchange Commission of Pakistan

For and on behalf of the

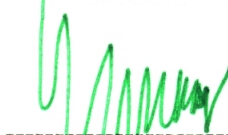
**National Counter
Terrorism Authority**



Dr. Muhammad Sulaman Khan
National Coordinator

For and on behalf of the

**Securities and Exchange
Commission of Pakistan**



Shaukat Hussain
Chairman

APPENDIX A

The contact officers pursuant to this Memorandum of Understanding are:

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