

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

In the matter of Show Cause Notice issued to Muhammad Tariq Moti Securities (Pvt.) Limited

Dates of Hearing

February 16, 2022

Order-Redacted Version

Order dated March 29, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Muhammad Tariq Moti Securities (Pvt.) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated July 16, 2021.
2. Name of Respondent	Muhammad Tariq Moti Securities (Pvt.) Limited (the Respondent)
3. Nature of Offence	Alleged contraventions of <u>rules 4(1) and 6(1) of the AML/CFT Sanctions Rules, 2020 (the AML Rules) and regulation 11, 21(2)(c), 9(b), 31 of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 (the AML Regulations) read with Section 6(A)(2)(h) of the Anti-Money Laundering Act, 2010 (the AML Act).</u>
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 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 regulations 11 and 21 (2)(c) of the AML Regulations, in two (02) instances, the Respondent failed to provide pre-Inspection date evidence pertaining to identify the beneficial owner of its highlighted clients. Further, the Representative during the hearing admitted that subsequent to the Inspection, they have rectified the aforesaid non-compliance. Therefore, the Respondent cannot deny violation of the aforesaid regulations of the AML Regulations;</p>

	<p>(ii) with regard to the violation of regulation 21(2)(c) of the AML Regulations, in five (05) instances, the Respondent failed to provide pre-Inspection date evidence pertaining to source of fund/ proof of income of its highlighted clients. During the hearing, the Representative admitted that subsequent to the Inspection, they have rectified the aforesaid non-compliance. Therefore, the Respondent cannot deny violation of the aforesaid regulations of the AML Regulations; and</p> <p>(iii) with regard to the violation of regulation 9(b) of the AML Regulations, the Respondent admitted in its above reply to the SCN and during the hearing that it could not perform NADRA Verisys of its highlighted nine (9) clients, three (03) joint account holders and six (06) nominees. Therefore, the Respondent cannot deny violation of the aforesaid regulation of the AML Regulations.</p> <p>Therefore, in terms of the powers conferred under 6(A)(2)(h) of the Act, a penalty of Rs.550,000/- (Rupees Five Hundred Fifty Thousand Rupees Only) is hereby imposed on the Respondent. Further, the Respondent is advised to examine its AML/ CFT policy and procedures to ensure that the requirements contained in the AML Regulations are met in letter and spirit, future.</p>
5. Penalty Imposed	Rs. 550,000/-
6. Current Status of Order	Penalty not deposited and Appeal has been filed by the respondents.