



Securities and Exchange Commission of Pakistan

Adjudication Division
Adjudication Department-I

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to N.U.A. Securities (Private) Limited

Dates of Hearing

March 17, 2021

Order-Redacted Version

Order dated March 22, 2021 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of N.U.A. Securities (Private) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated February 08, 2021
2. Name of Company	N.U.A. Securities (Private) Limited
3. Name of Individual*	The proceedings were initiated against the Company i.e. N.U.A. Securities (Private) Limited
4. Nature of Offence	In view of alleged violations of Regulations 4(a), 18(c)(iii), 11(2), 6(4), 7(l)(b), 6(3)(a), 6(3)(c) and 15(3) of AML Regulations, 2018 read with Section 40 A of the SECP Act, 1997
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have examined the written as well as oral submissions of the Respondent and its Authorized Representatives. In this regard, I observe that:</p> <p>i. With regard to the violation of Regulation 4(a) of the AML Regulations, in response to SCN and during the hearing, the Respondent has submitted that only three instances of non-compliances were communicated by the JIT through LOF dated August 20, 2020 and the same were rectified on August 20, 2020 by the Respondent subsequent to inspection. Furthermore, in response to SCN, the Respondent submitted that few minor shortcomings</p>



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may exist as observed by JIT which have been addressed in our AML Policy, Procedures and Controls updated in December 31, 2020. It was admitted that Respondent updated its AML policy on December 31, 2020 to remove the identified deficiencies. Therefore, Respondent remained in contravention of Regulation 4(a) of AML prior to December 31, 2020.

- ii. The default of Regulation 18(c)(iii) was consequential to the default of Regulation 4(a) of the AML Regulations. During the hearing, the Authorized Representatives of the Respondent admitted the said violation of the provision of the AML Regulations.
- iii. In respect of alleged contravention of the Regulation 11(2) of the AML Regulations, the Respondent submitted that justification for their low risks on their account forms were overlooked. However, now Respondent has recorded justification of all low-risk customers on their respective SOAF and KYC Forms. Therefore, Respondent was in violation of Regulation 11(2) of the AML Regulations at the time of inspection.
- iv. The violation of Regulation 6(4) and Regulation 7(1)(b) of the AML Regulations were admitted by the Authorized Representatives. It was claimed that subsequent to Inspection, Respondent has completed requisite validation of CNICs through NADRA verisys in respect of all the clients and their nominees. Thus, the contravention of Regulation 6(4) and Regulation 7(1)(b) of the AML Regulations at the time of Inspection cannot be denied.
- v. It was admitted that some of the requisite information/documents were missing in respect of few customers. Further, Authorized Representative while admitting the defaults submitted that subsequent to the Inspection, Respondent has complied with the provisions of the Regulations 6(3)(a), 6(3)(c) and Regulation 15(3) of the AML Regulations. .

In view of the foregoing and admission made by the Representatives, contraventions of the provisions of Regulations 4(a), 18(c)(iii), 11(2), 6(4), 7(1)(b), 6(3)(a), 6(3)(c) and 15(3) of AML Regulations have been established. Therefore, in terms of powers conferred under section 40A of the Act, a penalty of Rs. 260,000/- (Rupees Two Hundred Sixty Thousand) is hereby imposed on the Respondent. However, in reference to Regulation 18 (c) (iii) Compliance Officer of Respondent is warned to be careful in future. The Respondent is advised to examine its AML/CFT policy & procedures to ensure that the requirements contained in the AML Regulations are met in letter and



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	spirit. Penalty order dated March 22, 2021 was passed by Executive Director (Adjudication-I).
6. Penalty Imposed	A Penalty of Rs. 260,000/- (Rupees Two Hundred Sixty Thousand) was imposed on the respondent company to ensure compliance of law in future.
7. Current Status of Order	Appeal has been filed by the respondent company