

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

In the matter of Show Cause Notice issued to National Rural Support Program

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Dates of Hearing

June 17, 2021

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**Order-Redacted Version**

Order dated December 29, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of National Rural Support Program. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated May 27, 2021.
2. Name of Respondent	National Rural Support Program, (the Respondent and/ or the Company)
3. Nature of Offence	Alleged contraventions of regulations 25(1)(a) and 5(a) read with <u>regulation 31 of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020, rules 4(1) and 6(1) of the AML/CFT Sanction Rules, 2020 and Section 6(A)(2)(h) of the Anti-Money Laundering Act, 2010.</u>
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, the written submissions, and verbal arguments of the Respondent Company and its Representative and observed that the Respondent, by not maintaining updated and complete database of its all clients/ borrowers and their associated persons as stated above, has failed to comply with the requirements of regulations 25(1)(a) of the AML Regulations 2020. Moreover, the Respondent's statement that its updated version of AML/CFT policy is yet to be approved by the Board in itself is an admission of the violation of regulation 5(a) of the AML Regulations 2020, promulgated in September 2020. The Representatives had also admitted the defaults on part of the Respondent during the hearing proceedings.</p> <p>Therefore, in exercise of the powers conferred on me under Section 6 (A)(2)(h) of the AML Act, I hereby, impose a fine of <b>Rs. 4,000,000/- (Rupees Four Million Only)</b> on the Company on</p>

	account of the aforesaid established and conceded non-compliances.
5. Penalty Imposed	Rs. 4,000,000/-
6. Current Status of Order	Appeal before the Appellate Bench has been filed by the Respondent Company.