

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

In the matter of Show Cause Notice issued to Nini Securities (Pvt.) Limited

Dates of Hearing

February 18, 2022

Order-Redacted Version

Order dated March 30, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Nini Securities (Pvt.) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated December 24, 2021.
2. Name of Respondent	Nini Securities (Pvt.) Limited (the Respondent)
3. Nature of Offence	<u>Alleged contraventions of regulation 11, 13(1)(a), 19(1), 25(1)(a), 27(2)(c) read with regulation 31 of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 (the AML Regulations); rules 4(1) and 6(1) of the AML/CFT Sanctions Rules, 2020 (the Rules) and Section 6(A)(2)(h) of the Anti-Money Laundering Act, 2010 (the Act).</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have considered the facts of the case and the written as well as oral submissions of the Respondent and its Representatives in light of the applicable legal provisions and observed that:</p> <ol style="list-style-type: none">i. with regard to the alleged violation of regulation 25(1) (a) of the AML Regulations, in its above response to the SCN and during the hearing, the Respondent admitted that subsequent to Inspection, they have fulfilled the requirements of the aforesaid regulation of the AML Regulations. Therefore, the Respondent cannot deny violation of the aforesaid provision of the AML Regulations.ii. the defaults of regulation 27(2)(c) were consequential to the default of regulation 25(1)(a) of the AML Regulations.iii. with regard to the alleged violation of clause (ii) of note contained in Annex I of the AML Regulations, in their above response to the SCN and during the hearing, the Respondent admitted that it is in process of obtain Nadra Verisys Services during the Inspection period. Therefore, the Respondent

	<p>cannot deny violation of the aforesaid clause of the AML Regulations.</p> <p>iv. with regard to the alleged violation of regulation 11, 13(1)(a), 19(1) of the AML Regulations and clause (i)(m) of note to Annex I and Part 6 (i)(iv) and (v) of Annex I thereof, the Respondent did not submit pre-Inspection date evidence of the highlighted clients, which depicts that the Respondent was not complying with the aforesaid provisions and clauses of the AML Regulations. Further, during the hearing, the Representatives admitted that subsequent to the Inspection, they have complied with these provisions. Therefore, the Respondent cannot deny violation of the aforesaid regulations and clauses of the AML Regulations.</p> <p>Therefore, in terms of powers conferred under 6(A)(2)(h) of the Act, I hereby impose penalty of Rs.680,000/- (Rupees Six Hundred Eighty Thousand Rupees Only) on the Respondent. With respect non-compliance of regulation 27(2)(c) of the AML Regulations, the Compliance Officer of the Respondent is warned to be careful in future. The Respondent is advised to examine its AML/ CFT policies & procedures to ensure that the requirements</p>
5. Penalty Imposed	Rs. 680,000/-
6. Current Status of Order	Penalty not deposited and Appeal has been filed by the respondent.