

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

**In the matter of Show Cause Notice issued to BMA Asset Management Company Limited**

Date of Hearing

December 13, 2019

**Order-Redacted Version**

Order dated January 03, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of BMA Asset Management Company Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated November 29, 2019
2. Name of Company	BMA Asset Management Company Limited
3. Name of Individual*	Not relevant. The proceedings were initiated against the Company i.e. BMA Asset Management Company Limited.
4. Nature of Offence	Proceedings under Section 282J (1) read with Section 282M (1) of the Companies Ordinance, 1984 and Section 40A of SECP Act, 1997 for violations of SRO 245 and Circular 01 of 2010.
5. Action Taken	<p>Key findings of default of Regulations were reported in the following manner:</p> <p>I have examined the written as well as oral submissions made by the Respondents and their Representative. With regard to the non-submission of compliance report referred in para iii of the SRO and returns through SCRS, the company submitted that the default was made due to lack of facilitation by SECP-CRO Karachi and SCD offices. In my view the argument "We believe that this situation and the need for your show cause could never have risen had we been facilitated amicably by SCD and CRO-Karachi", is not at all plausible. Matter of fact is that the AML regulations do not prescribe that compliance report in relation to SROs issued by MOFA and intimations from NACTA/ MOI regarding the list of designated or proscribed persons/entities through the automated reporting system has to be submitted by the CEO only. In this regard, any authorized representative could have been nominated to do the task. In case of any ambiguity the AMC should have specifically sought clarification on the subject from the AML Department of SECP.</p> <p>Furthermore, Circular no 1 of 2010 clearly stipulates that "NBFCs will have to obtain login ID and password from IS&amp;T Department of SECP, to enter the</p>



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	<p>requisite monthly data in the system. For secure submission of returns, Digital Signatures for the CFO and Company Secretary can be acquired from National Institute of Facilitation Technology (NIFT)“ Thus from the foregoing it is clear that in the absence of a CEO, the company could have filed the SCRS returns through either its company secretary or the chief financial officer.</p> <p>The laxity shown by the Company has exposed it to breach of mandatory provision and which is liable to penalty. Based on my observation above, non-compliance of SRO 245 and Circular 01 of 2010 is established. I hereby conclude the proceedings initiated under section 40 of the SECP Act, 1997 and Section 282J (1) read with Section 282M (1) of the Companies Ordinance, 1984, by imposing an aggregate fine of Rs 100,000/- (Rupees One hundred thousand Only) on the Respondent.</p> <p>Penalty order dated January 3, 2020 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A penalty of Rs. 100,000/- (Rupees One hundred thousand only) was imposed on the Company.
7. Current Status of Order	No appeal was filed.

Redacted version issued for placement on the website of the Commission.