

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

In the matter of Show Cause Notice issued to M/s. Bridge Securities (Pvt) Limited

Date of Hearing

July 02, 2020

Order-Redacted Version

Order dated July 09, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Bridge Securities (Pvt) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated May 20, 2020
2. Name of Company	Bridge Securities (Pvt) Limited
3. Name of Individual*	The proceedings were initiated against the Company i.e. Bridge Securities (Pvt) Limited and its Compliance Officer.
4. Nature of Offence	Proceedings under Section 40A of SECP Act, 1997 for the violations of Regulation 4(a) and 18(c)(iii) of the AML and CFT Regulations, 2018.
5. Action Taken	<p>Key findings of default of Regulations were reported in the following manner:</p> <p>I have examined the submissions of the Respondent. In this regard, I observe that:</p> <ul style="list-style-type: none">i. With regard to the deficiencies in AML/CFT Policy, the Respondent submitted its Board Resolution dated July 25, 2019 wherein it was observed that its policy was updated subsequent to the findings of the Review in light with the observations highlighted by the Commission. It is pertinent to note here that AML Regulations were promulgated in June, 2018 wherein the Respondent was required to update its policy and procedures as per the requirements of Regulation 4(a) of the AML Regulations. The Respondent's policy was updated after a lag of a year subsequent to the findings of the Commission. It must be noted that in order to implement effective AML/CFT system, the Respondent was required to primarily update its policy in accordance with the AML Regulations and ensure its implementation. Such delay on behalf of the Respondent in updating its policy/ procedures reveals negligence



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	<p>to comply with the AML enforcement regime and therefore, the Respondent was found non-compliant with the Regulation 4(a) of the AML Regulations. In view of the facts, the default of Regulation 18(c)(iii) cannot be denied wherein the Compliance Officer was also required to monitor, review and update its AML/CFT policy and procedures.</p> <p>In view of the foregoing and submissions made by the Respondent and its compliance officer, contraventions of the provisions of the AML Regulations have been established. Therefore, in terms of powers conferred under section 40A of the Act, a penalty of Rs. 175,000 (Rupees One Hundred and Seventy-Five Thousand Only) is hereby imposed on the Respondent.</p> <p>Penalty Order dated July 09, 2020 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A penalty of Rs. 175,000/- (Rupees one hundred and seventy-fifty thousand only) was imposed on the Company.
7. Current Status of Order	An appeal has been filed against this Order.

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