



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 Asian Securities (Pvt.) Limited

Dates of Hearing

January 14, 2021

Order-Redacted Version

Order dated January 18, 2021 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Asian Securities (Pvt.) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause notice dated November 23, 2020
2. Name of Company	Asian Securities (Pvt.) Limited
3. Name of Individual*	The proceedings were initiated against the Company i.e. Asian Securities (Pvt.) Limited and its Compliance Officer
4. Nature of Offence	In view of alleged violations of Regulations 4(a), 18(c)(iii), 6(3)(a), 6(3)(c), 13(1), 13(3) & 6(4) of AML Regulations
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the fact of case, the written as well as oral submissions of the Respondent and its Authorized Representatives. In this regard, I observe that:</p> <p>i. Respondent though submitted revised AML policy to exhibit its compliance with AML Regulations. However, during the hearing and in reply to the SCN, it was admitted that Respondent updated its AML policy on December 20, 2020 and prior to the said it's AML Policy was deficient. Thus, the Respondent remained in contravention of Regulation 4(a) of AML prior to December 20, 2020.</p> <p>ii. The defaults Of Regulation 18(c)(iii) were consequential to the default of Regulation 4(a) of the AML Regulations.</p>



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iii. With regard to the violation of Regulation of the AML Regulations, in response to SCN and during the hearing, the Authorized Representatives admitted the Respondent obtained the required information of a highlighted instance, subsequent to the Inspection. Therefore, the Respondent was in violation of Regulation 7(1)(b) of the AML Regulations.

iv. During the hearing, the Authorized Representatives admitted that identified defaults of Regulations 6(3)(a), 6(3)(c), 13(1)& 13(3) of the AML Regulations in two instances, were rectified subsequent to the Inspection. In this regard, copies of tax return were also exhibited to substantiate the post-inspection compliance. Therefore, the contravention of regulatory framework on part of Respondent were not denied and contended during the hearing.

v. With regard to the violation of Regulation 6(4) of the AML Regulations, regarding nine identified instances, it was admitted that NADRA Verisys was not available with the Respondent at the time of inspection. Furthermore, Respondent correspondence with NADRA for provision of requisite system was subsequent to inspection i.e on April 14, 2020 which reflects that timely efforts were not made by Respondent for provision of Verisys. Thus, Respondent was in contravention of Regulation 6(4) of the AML Regulations at the time of inspection.

In view of the foregoing and admission made by the Representatives, contraventions of the provisions of Regulations 4(a), 18(c)(iii), 6(3)(a), 6(3)(c), 13(1), 13(3) & 6(4) of AML Regulations have been established. Therefore, in terms of powers conferred under section 40A of the Act, a penalty of Rs.270,000/- (Rupees Two Hundred Seventy Thousand) is hereby imposed on the Respondent. However, in reference to Regulation 18 (c) (iii)



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	<p>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 spirit.</p> <p>Penalty order dated January 18, 2021 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs. 270,000/- (Two hundred and seventy thousand only) was imposed on respondents to ensure compliance of law in future.
7. Current Status of Order	Appeal has been filed by the respondents

Redacted version issued for placement of website of the Commission.