



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 Askari Life Assurance Co. Limited

Dates of Hearing

February 2, 2021

Order-Redacted Version

Order dated March 22, 2021 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Askari Life Assurance Co. Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show-Cause Notice dated January 6, 2021
2. Name of Company	Askari Life Assurance Co. Limited
3. Name of Individual*	The proceedings were initiated against the Company i.e. Askari Life Assurance Co. Limited.
4. Nature of Offence	Alleged violations of regulation 4(d), regulation 6(5a), regulation 13(7) and regulation 20(a) of the of Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018 read with Section 40A of the Securities and Exchange Commission of Pakistan Act, 1997
5. Action Taken	Key findings were given in the Order in the following manner: <i>"I have carefully examined the submissions and arguments of the Respondent and their Authorized Representatives in light of requirements of applicable provisions of the Regulations. Contrary to its stance, the Respondent Company has implemented the practice/procedure of maintaining the mandatory documents in respect of its sales agents, it has been noted that the Respondent has not been conducting verification of the antecedents of sales agents at the time of hiring and ensuring that its agents have a clean history/record, thus violation of Regulation 20(a) of the Regulations is established.</i> <i>With regards to the finding on missing CNIC numbers of many policyholders and absence of entry of CNICs numbers of beneficiaries/nominees in the database, the Respondent submitted that the exercise of obtaining CNIC numbers from policyholders was completed on January 31, 2021 and up-dation of CNICs numbers of the beneficiaries would be completed in the next phase. This statements in itself is an</i>



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	<p><i>admission of the fact that the Company has not been carrying out continued monitoring of its business relationship in order to ensure that no direct or indirect connection exists, through ultimate control of an account, with a designated individual/entity. Therefore, the Company is found to be in contravention of Regulation 13(7) read with Regulation 6(5)(a) of the Regulations.</i></p> <p>2. <i>In view of the foregoing, I am of the considered view that violations of the provisions of Regulation 20(a) and Regulation 13(7) read with Regulation 6(5a) of the Regulations have been established. Therefore, in terms of powers conferred under Section 40A of the Act, a penalty of Rs. 200,000/- (Rupees Two Hundred Thousand Only) is hereby imposed on the Company. The Company is hereby directed to fully implement counter ML and TF measures including but not limited to formulation and implementation of policies, procedures and controls to ensure that all the applicable requirements contained in the AML/CFT Regulations are meticulously complied in true letter and spirit. It is further directed that the Company shall submit its compliance report to the Supervision Division within one month of the date of this Order in respect of all the obligatory measures under the Regulations regarding employee due diligence customers, customers due diligence and screening of its entire customers' database."</i></p> <p>Penalty order dated March 22, 2021 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs. 200,000/- (Rupees two hundred thousand only) was imposed on the company.
7. Current Status of Order	Appeal was filed by the Respondent.