



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 Zafar Securities (Pvt.) Limited

Dates of Hearing

February 19, 2021

Order-Redacted Version

Order dated February 23, 2021 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Zafar Securities (Pvt.) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated January 21, 2021
2. Name of Company	Zafar Securities (Pvt.) Limited
3. Name of Individual*	The proceedings were initiated against the company i.e. Zafar Securities (Pvt.) Limited
4. Nature of Offence	In view of alleged violation of AML Regulations, 2018 under Section 40A of the Securities and Exchange Commission of Pakistan Act 1997 through SCN dated January 21, 2021 and order dated February 23, 2021 was passed.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have examined the written as well as oral submissions of the Respondent and its Authorized Representatives. In this regard, I observe that Respondent could not provide any appropriate pre-review evidence to substantiate that Respondent was complying with the provision of Regulations 6(3)(c) and 13(1) of the AML Regulations in respect two identified customers at the time of Review. During the hearing, default was admitted by Authorized Representatives and claimed that subsequent to the Review, Respondent obtained the source of income i.e. tax return of the highlighted clients, therefore, contravention of said Regulations cannot be denied.</p> <p>2. In view of the foregoing and admission made by the Representatives, contraventions of the provisions of Regulations 6(3)(c) and 13(1) of AML Regulations have been established.</p>



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	<p>Therefore, in terms of powers conferred under section 40A of the Act, a penalty of Rs.250,000/- (Rupees two Hundred Fifty Thousand Only) is hereby imposed on the Respondent. 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>3. The Respondent is directed to deposit the aforesaid penalty in the account of the Commission being maintained in the designated branches of MCB Bank Limited within 30 days of the date of this Order and furnish Original Deposit Challan to this office.</p> <p>4. This Order is issued without prejudice to any other action that the Commission may initiate against the Respondent in accordance with the law on matter subsequently investigated or otherwise brought to the knowledge of the Commission.</p> <p>Penalty order dated February 23, 2021 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs.250,000/- (Rupees two Hundred Fifty Thousand Only) was imposed on company.
7. Current Status of Order	Appeal. No. 55/2021 has been filed by the respondent.