

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

In the matter of Show Cause Notice issued to Dawood Family Takaful Limited

Date of Hearing

January 23, 2020

Order-Redacted Version

Order dated March 6, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Dawood Family Takaful Limited. Relevant details are given hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated November 29, 2019
2. Name of Company	Dawood Family Takaful Limited
3. Name of Individual*	Not Applicable.
4. Nature of Offence	Alleged violations of Regulation 4(a), Regulation 6(3)(a), Regulation 6(5a)(c), Regulation 10(1), Regulation 13(7), and Regulation 20 (aa), (a)& (b) of the of Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018
5. Action Taken	<p>Relevant extracts from the Order on findings and outcome of the matter are as follows:</p> <p><i>“8. I have examined the submissions and arguments of the Respondents and their Authorised Representatives in light of requirements of applicable provisions of the Regulations. I am of the considered view that the Company did not ensure its compliance with the mandatory provisions of the Regulations in the following instances:</i></p> <p>(i) <i>In the absence of any provision in the Company’s AML/CFT policy about identification of beneficial owner and verification of his identity documents, the Company was unable put in place such procedure and control which were necessary for ensuring compliance with Regulation 6(3)(a). Therefore, this state of affairs constitutes violation of Regulations 4(a) and 6(3)(a).</i></p>



Securities and Exchange Commission of Pakistan

Adjudication Division Adjudication Department-I

	<p>(ii) <i>The Company's AML/CFT trainings contents did not address the significant topics of risk mitigation and applying risk-based approach, new products, practices and technologies, beneficial owner, suspicious transaction report, identification of beneficiary, EDD, PEPs, Ongoing Monitoring, Record Keeping, AML Compliance Reporting, Legal Consequences of AML compliance breach. These deficiencies establish the violations of Regulation 20(b).</i></p> <p>9. <i>In view of the foregoing reasons, I am of the considered view that violations of the provisions of Regulations 4(a), 6(3)(a), 20(b) of the Regulations have been established. Therefore, in terms of powers conferred under section 40A of the Act, a penalty of Rs. 100,000/- (Rupees One Hundred Thousand only) is hereby imposed on the Company."</i></p>
6. Penalty Imposed	Penalty of Rs. 100,000/- (Rupees One Hundred Thousand only) was imposed on the Company.
7. Current Status of Order	Penalty was deposited.

Redacted version issued for placement on website of the Commission.