

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

In the matter of Show Cause Notice issued to Jubilee General Insurance Co. Ltd.

Date of Hearing

March 10, 2020

Order-Redacted Version

Order dated March 26, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Jubilee General Insurance Company Limited. Relevant details are given hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated January 1, 2020
2. Name of Company	Jubilee General Insurance Company Limited
3. Name of Individual*	Not Applicable.
4. Nature of Offence	Alleged violations of Regulation 4(a), Regulation 6(3)(a) read with Annexure I to the Regulations, Regulation 6(5a), Regulation 10(1), Regulation 20(aa), Regulation 20(a) and Regulation 20(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 the requirements of applicable provisions of the Regulations. I am of the considered view that the Respondents did not ensure their compliance with the mandatory provisions of the Regulations in the following instances:</i></p> <p>(i) <i>Subsequent to the hearing, the Company has provided copies of emails showing verification from the references of 2 individuals during the hiring process. Although, the Company’s AML policy does not explicitly provide for the screening procedures ensuring high standards which would be adopted at the time of hiring of an employee, the Company apparently has developed and implemented employee due diligence policy and procedures to be</i></p>



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	<p>carried out at the time of hiring employees. The Company is advised to make the hiring policy more explicit in this regard.</p> <p>(ii) The training content/material used during the training session did not address the important topics of ongoing monitoring, tipping off, and domestic and transnational schemes and typologies. The Company has no approved policy for staff training on AML/CFT. The Company did not conduct training need analysis in respect of employees' AML trainings; no suitable AML training program was implemented to ensure that all relevant employees get appropriate training in order to enable them understand new developments in ML/TF and discharge their obligations relating to AML/CFT. Therefore, these deficiencies establish the violations of Regulation 20(b).</p> <p>(iii) The AML policy of the Company does not explicitly require verification of identity information of policyholders. The 10 sample policy files did not contain any evidence of identity verification/NADRA Verisys in respect of individual policyholders and directors in case of corporates. The account opening documents do not have any field or statement to determine if the policyholder or beneficial owner is a PEP or family member or associate of a PEP. These deficiencies establish the violations of Regulations 6(3)(a) read with Annexure I to the Regulations and Regulation 10(1) of the Regulations.</p> <p>9. In view of the foregoing facts, I am of the considered view that multiple violations of the provisions of Regulations, as narrated in the foregoing para, have been established. Therefore, in terms of powers conferred under section 40A of the Act, a penalty of Rs. <u>250,000/- (Rupees Two Hundred Fifty Thousand only)</u> is hereby imposed on the Company."</p>
6. Penalty Imposed	Penalty of Rs. 250,000/- (Rupees Two Hundred Fifty Thousand only) was imposed on the Company.
7. Current Status of Order	Penalty was deposited.

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