

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

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

Date of Hearing

February 11, 2020

**Order-Redacted Version**

Order dated March 20, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Pak Qatar Family Takaful Limited. Relevant details are given hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show Cause Notice dated November 28, 2019
2. Name of Company	Pak Qatar Family Takaful Limited
3. Name of Individual*	Not Applicable.
4. Nature of Offence	Alleged violations of Regulation 4(a), Regulation 6(3), Regulation 6(4), Regulation 6(7), Regulation 6(5a)(c), 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 requirements of applicable provisions of the Regulations and have given them due consideration. As regards the stance of the Company that findings of the inspection were not shared, it may be noted that the non-compliances were shared at the time of adjudication and the Respondents were given an opportunity to present their submissions. Hence, the matter is being decided after providing the Respondents an opportunity of hearing. 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 style="text-align: center;"><i>(i) The Company’s AML/CFT trainings material/presentations given to the participants did not</i></p>



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	<p><i>address the important topic of TFS Screening. This deficiency has resulted in violations of Regulation 20(b).</i></p> <p>(ii) <i>The Company did not obtain the information about beneficial ownership of individual as well as corporate clients due to which identification of beneficial owners as well as verification of their identity documents were not carried out. Therefore, this state of affairs constitutes violation of Regulations 6(3)(a).</i></p> <p>(iii) <i>The Company's AML Policy/SOP/Procedures did not refer to such measures and processes which are obligatory with respect to the persons acting on behalf of customers. These measures include collection and verification of the authority to act on behalf of a customers and identification and verification of persons acting on behalf of customers as well as customers themselves. Thus, the Company has violated the provisions of Regulation 4(a) and Regulation 6(7).</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), 6(7) and 20(b) of the Regulations have been established. Therefore, in terms of powers conferred under section 40A of the Act, a penalty of <b>Rs. 100,000/- (Rupees One Hundred Thousand only)</b> 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	Appeal was filed under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 before the SECP's Appellate Bench.

*Redacted version issued on July 6, 2020 for placement on website of the Commission.*