

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

In the matter of Show Cause Notice issued to Zahid Latif Khan Securities Pvt. Limited

Date of Hearing

December 19, 2019

Order-Redacted Version

Order dated January 17, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Zahid Latif Khan Securities Pvt. Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated December 13, 2019
2. Name of Company	Zahid Latif Khan Securities Pvt. Limited
3. Name of Individual*	Not relevant. The proceedings were initiated against the Company i.e. Zahid Latif Khan Securities Pvt. Limited
4. Nature of Offence	In view of alleged violations of Anti Money Laundering Regulations, 2018, proceedings were initiated in terms of section 40A of the Securities and Exchange Commission of Pakistan Act, 1997, for violation of Regulation 15(3), Regulation 13(1) and Regulation 6(4) of the AML and CFT Regulations, 2018.
5. Action Taken	<p>Key findings of default of Regulations were reported in the following manner:</p> <p>I have examined the submissions made in writing and during the hearing as well as issues highlighted in the show cause notice and requirements of the AML Regulations, 2018. The facts of the case may be summarized as under:</p> <ol style="list-style-type: none">a. With regard to compliance of Regulation 15(3) of AML Regulations, the Respondent has contended that it undertakes screening on a regular basis, which is a system based activity. Moreover, the inspection team didn't identify presence of any proscribed person to contradict the stance taken by the Respondent.b. The Respondent has furnished a salary slip dated September 30, 2019 as an evidence depicting payment of pound sterling 678.63 by Synergy Network Solutions Ltd to the identified client. Inspection could not substantiate its finding that the date of the



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	<p>document/salary slip is November 20, 2019 and the same was arranged subsequent to Inspection. Therefore, stance of inspection team is not sustainable as salary slip was for the month of September 2019 and the November 20, 2019 could be printing date of the document.</p> <p>c. The Respondent has taken the reasonable steps for ongoing monitoring in the highlighted instances and furnished the appropriate evidences with regard to requirements under of Regulation 13(1) AML Regulations.</p> <p>d. The Respondent admitted that they not using NADRA Verisys as envisaged in Regulation 6(4) of AML Regulations. In this regard, it was contented that Respondent opened accounts of clients after the approval from National Clearing Company of Pakistan Limited (NCCPL) of the argument of Respondent is not justifiable as approval from NCCPL cannot substitute the statutory requirement of validation of identity documents of customers as well as their nominees/joint account holders/BOD/trustees etc. „</p> <p>No adverse order dated January 17, 2020 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	No penalty was imposed on the Company. Moreover, it was directed to implement measures to manage risks of AML/CFT.
7. Current Status of Order	No Appeal has been filed by the respondents

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