

Before Amina Aziz, Director(Adjudication-I)

In the matter of Show Cause Notice issued to Surmawala Securities (Pvt.) Limited

Date(s) of Hearing

October 10, 2022

Order-Redacted Version

Order dated November 14, 2022 was passed by Director (Adjudication-I) in the matter of Surmawala Securities (Pvt.) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated August 12, 2022.
2. Name of Respondent	Surmawala Securities (Pvt.) Limited (the Company and/ or the Respondent).
3. Nature of Offence	Alleged contraventions of Section of 5(a) of the Securities & Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 read with Section 6(A)(2)(h) of the Anti-Money Laundering Act, 2010 and rules 4(1) and 6(1) of the AML/ CFT Sanctions Rules, 2020 and regulation 31 of the AML regulations thereof.
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of the case and considered the written and oral submissions of the Respondent and material available on record, in light of the aforesaid legal provisions and observed that with regard to the deficiencies in its AML/CFT policy, the Respondent has provided corresponding paras which indicate policy and procedures with respect to CDD, Identification of Beneficial Ownership and EDD. The Respondent also provided that the same was also provided to the inspection team. The Respondent submitted that clauses related to ODD & Identification of beneficial ownership are covered in para 8 and 13 of their AML/CFT policy. Further, procedures related EDD are also covered in para 11 of their AML/CFT policy. The arguments provided by the Respondent in this regard is tenable as the AML/CFT policy of the Respondent already covers the areas with respect to CDD, Identification Beneficial Ownership and Enhanced Due Diligence. Further, the inspection report does not highlight instances where such deficiencies were observed</p>

	<p>relating to client accounts. Therefore, the Respondent may not be held accountable in the matter.</p> <p>In view of the foregoing and submissions made by the Respondent and its Representative, contraventions the AML Regulations may not be established against the Respondent. Therefore, in terms of powers conferred under 6(A)(2)(h) of the Act, I hereby, conclude the proceedings without imposing any monetary penalty or adverse order</p>
5. Penalty Imposed	
6. Current Status of Order (As of the uploading date)	No Appeal has been filed by the respondent.