

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to TPL Life Insurance Limited

Dates of Hearing

June 10, 2021

Order-Redacted Version

Order dated July 08, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of TPL Life Insurance Limited. Relevant details are given as hereunder:

| Nature | Details |
|------------------------|--|
| 1. Date of Action | Show cause notice dated March 22, 2021. |
| 2. Name of Company | TPL Life Insurance Limited (the Company) |
| 3. Name of Individual* | The proceedings were initiated against the Company. |
| 4. Nature of Offence | <u>Alleged contraventions of Regulations 6(4) & 6(8) of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018 (the AML Regulations) read with regulation 21 thereof and Section 40A of the SECP Act 1997 (the Act).</u> |
| 5. Action Taken | <p>Key findings were reported in the following manner:</p> <p>I have carefully examined the facts of the case in light of the applicable provisions of the law and have given due consideration to the written as well as verbal submissions and arguments of the Respondent Company and the following are my findings:</p> <p>i) The Company was required to obtain the requisite documents, as specified in Annexure I to the Regulations, from its corporate clients; however, these documents were not obtained despite expiry of an ample time after establishing business relationship with the relevant corporate customers. The Company's ML/TF risks cannot be considered as being effectively managed as a result of non-submission of the documents by the customers. Therefore, the Company has failed to comply with the mandatory requirements of regulation 6(4) read with Annexure I of the AML Regulations.</p> |

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| | <p>The Company did not provide any evidence to substantiate that the risk categorization was being marked electronically. However, realizing the need for maintaining a proper risk categorization, the Company has subsequently redesigned its KYC Forms, incorporating therein a column for risk category which in my opinion is also an admission of obligation on the part of the Company. Therefore, it is established that the Company was in violation of regulation 6(8) of the AML Regulations at the relevant time.</p> <p>In view of the foregoing, the Company is liable to be penalized under Section 40A of the Act.</p> <p>In exercise of the powers conferred on me by the Commission, I, hereby, impose a fine of <u>Rs.100,000</u>/(Rupees One Hundred Thousand Only) under Section 40A of the Act on the Company on account of the established defaults, as mentioned in the above paras.</p> |
| 6. Penalty Imposed | Rs. 100,000/- |
| 7. Current Status of Order | No Appeal has been filed by the respondents. |