

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

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

Dates of Hearing

June 08, 2021

Order-Redacted Version

Order dated July 05, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of A.I. Securities (Pvt.) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated April 07, 2021.
2. Name of Respondent	A.I. Securities (Pvt.) Limited (the Respondent)
3. Nature of Offence	<u>Alleged contraventions of Regulation 15(3), 6(3)(a) and 6(3)(c) of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018 (the AML Regulations) read with Section 40A of the Securities and Exchange Commission of Pakistan Act 1997 (the Act).</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have examined the written as well as oral submissions of the Respondent and its authorized representative and observed that:</p> <ol style="list-style-type: none">i. With regard to the alleged violation of regulation 15(3) of the AML Regulations, the Respondent did not furnish appropriate post-review evidence(s) as highlighted in the SCN, which exhibits that they were not fulfilling the requirements contained in the aforesaid regulation of the AML Regulations at the time of the Review. Further, during the hearing, the authorized representatives admitted that they did not maintain physical evidence of the same, however, subsequent to the identification of the team, they are now complying these. Therefore, the Respondent cannot deny the committed violation of the aforesaid regulation of the AML Regulations.ii. The Respondent did not furnish appropriate post-review evidence(s) of compliance with the highlighted instances. Violations of regulations 6(3)(a) and 6(3)(c) of the AML Regulations were admitted by the authorized representatives

	<p>during the hearing as highlighted in the SCN. Further, they assured during the hearing that in future they will adhere to comply the aforesaid regulations of the AML Regulations.</p> <p>Therefore, in terms of the powers conferred under Section 40A of the Act, a penalty of <u>Rs. 225 000/</u> (Rupees Two Hundred Twenty-Five Thousand Only) is hereby imposed on the Respondent. The Respondent is advised to review its AML/ CFT policy & procedures and ensure that the requirements contained in the AML Regulations are met in letter and spirit.</p>
5. Penalty Imposed	Rs. 225,000/-
6. Current Status of Order	Penalty not deposited and Appeal has been filed by the respondents.