



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN INSURANCE DIVISION

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Islamabad, May 8, 2015

Circular No. 17/ 2015

Guidance on Compliance of Government of Pakistan's Notifications issued under United Nations Security Council (UNSC) Resolution 1267

1. The United Nations Security Council (UNSC) Committee, established pursuant to the Resolution 1267 (1999) and subsequent resolutions, concerning Al-Qaida and associated individuals and entities, approves the addition, amendments and deletion in the consolidated list of individuals and entities subject to the sanctions covering assets freeze, travel ban and arms embargo set out in the Security Council resolutions adopted under Chapter VII of the Charter of the United Nations.
2. The Government of Pakistan under the United Nations (Security Council) Act, 1948 gives effect to the decisions of the UNSC whenever the consolidated list maintained by the sanctions committee is updated. The Ministry of Foreign Affairs issues the Statutory Regulatory Orders (SROs) to give legal cover for implementing sanction measures under Security Council resolutions. The consolidated lists available at the UN sanctions committee's website, are regularly updated and can be accessed at following links.

www.un.org/sc/committees/1267/aq_sanctions_list.shtml

www.un.org/sc/committees/1988/list.shtml

3. These SROs/ notifications in respect of listed individuals/ entities require financial institutions to implement asset freeze in accordance with the Security Council resolutions as under:-
"Freeze without delay the funds¹ and other financial assets or economic resources of listed individuals and entities, including funds derived from property owned or controlled, directly or indirectly"
4. Pursuant to UNSC resolutions, credit payments in such frozen accounts are permitted, so long as the additional amounts are also subject to asset freeze. The Government of Pakistan has already prescribed the penalty up to Rs.10 million for non-compliance of sanctions regime being implemented through SROs under the UN (Security Council) Act, 1948.
5. The Securities and Exchange Commission (SECP) circulates the subject SROs/ notifications to its regulated entities for taking necessary actions with the advice to report details of such frozen assets and other actions, taken in compliance with the relevant SRO, to SECP within the stipulated time.

¹ Funds & other financial assets include, but are not limited to case, cheques, claims on money, internet-based payment instruments, deposits with financial institutions or other entities, balances on share trading accounts with brokerage firms or other investment trading accounts, debts and debt obligations, including trade debts, other accounts receivable, publically and privately traded securities and debt instruments, including stocks and shares, certificate representing securities, bonds, notes, warrants, debentures and derivative contracts, interest, dividend or other income on or value accruing from or generated by assets, insurance and reinsurance.

6. All insurance companies are advised to regularly access the aforesaid consolidated list to ensure compliance with measures in para 3 above in line with the UNSC resolutions. The updated consolidated list should be accessed by the insurance company which will be checked by the SECP during the course of inspection.
7. All insurance companies may also educate their customers that in case of wrongful or inadvertent freezing, they may apply in writing for de-listing to Government of Pakistan through relevant Ministry or to the UN's Ombudsman, as the case may be.
8. For further information, regulated entities may access the relevant information/ documents from the UNSC website.



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Commissioner (Insurance)

Distribution:

- All life and non-life insurance companies
- All family and general takaful operators
- Insurance Association of Pakistan (IAP)