

**Frequently Asked Questions**  
**on**  
**Anti-Money Laundering and**  
**Combating Financing of Terrorism**



**SECURITIES AND EXCHANGE  
COMMISSION OF PAKISTAN**

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SECP is pleased to publish this third version of SECP's Frequently Asked Questions (FAQs) on AML/CFT aiming to facilitate SECP's regulated financial services industry and investors to comprehend and implement their obligations under the AML/CFT regime and to meet evolving regulatory expectations for anti-money laundering and sanctions compliance.

The following questions and answers have been prepared for illustrative purposes only.



## **Section A- TFS Compliance Reporting under S.R.O 245(I)/2019**

**1. Is there any guidance available for filing AML related responses on SECP eServices?**

Yes. Please refer to: “Guide for Companies to File AML Compliance report on eServices (New)” on the link <https://www.secp.gov.pk/document/guide-for-companies-to-file-aml-compliance-report-on-eservices/?wpdmdl=36076>

**2. Can we add new users for filing AML related compliance reports through eServices portal?**

Yes. Please refer to the “Guide for Manage Users in SECP eServices – Additions or Deletions” on the link <https://www.secp.gov.pk/document/guide-for-manage-users-in-secp-eservices-aml-portal-additions-or-deletions/?wpdmdl=36077>

**3. What do we do when we encounter this error: “Unable to process the request because the server encountered an unexpected condition”?**

The system usually reflects this error with above statement when a user has spent more time than the standard time-out limit of 25 minutes. It is requested to login and file your response again.

**4. What are the system limitations for data such as time-out limit, length of characters etc.?**

Time-out limit is 25 minutes and the length of characters are made sufficient to enable user for easy form filing.

**5. Why are SROs still appearing in AML portal even though RPs have filed their response?**

Concerned authorities usually add new proscribed person in continuation of previous orders. Hence, it may appear that a specific SRO has been uploaded twice but actually it contains details of new proscribed person for whom every company has to file response separately. RPs are requested to check date of upload which will be different from previous SROs. In future, SRO names will be changed to reflect the amendments in previous document.

## **Section B- Targeted Financial Sanctions**

**6. What should we do with proscribed individuals who have been deleted from Schedule IV?**

If the proscribed individual has been denotified from Schedule IV, the entity may resume the business relationship with the customer.

**7. Where can a I find guidance on Targeted Financial Sanction?**

The SECP AML/CFT Guidelines Section 17 - Implementation of UN Security Council Resolutions provides guidance on UNSCR. Further, the guidelines on Implementation of



UNSCR concerning Targeted Financial Sanctions, Travel Ban and Arms Embargo issued by Ministry of Foreign Affairs can be accessed through link <http://www.mofa.gov.pk/documents/1267-Guidelines.pdf> and guidelines on implementation of UNSCR 1373 can be accessed through <https://nacta.gov.pk/wp-content/uploads/2018/11/15102018-GUIDELINES-ON-ACTIONS-TO-BE-TAKEN-BY-COMPETENT-AUTHORITIES-FOR-IMPLEMENTATION-OF-UNITED-NATIONS-SECURITY-COUNCIL-RESOLUTION-NO.-1373-without-covering-letter-1.pdf>

8. What is the further course of action in case the individuals have submitted their acquittals from Schedule IV by the concerned authorities?

Notify NACTA under

Deletion <https://nfs.punjab.gov.pk/Denotified>

#### **Section C- AML/CFT Returns under SRO 245(I)/2019**

9. What happens if RP does not submit an AML/CFT return under SRO 245(I)/2019?

If RP does not submit its AML/CFT Returns, enforcement action may be initiated against the RP.

10. Why is National Risk Assessment (NRA) on ML/TF important and what should a RP do with this information?

Financial institutions are expected to (i) understand the nature and level of the money laundering and terrorist financing risks which they are facing and (ii) apply AML/ATF policies and procedures to mitigate and monitor these risks RPs should review and consider the NRA when they prepare and update their risk assessments.

#### **Section D – Customer Due Diligence measures**

11. Can Biometric verification mechanism replace NADRA Verysis when conducting identification and verification of a customer?

Yes. Biometric verification is an alternative to NADRA Verysis. It is an efficient means to identify and verify the customer.

12. Can the regulator prescribe a standard threshold limit for conducting CDD?

Under the Risk Based Approach, the level of risk and the extent of due diligence measures may vary from one customer to another therefore, fixing a threshold limit for CDD may not be appropriate.

13. If Regulated Entity received cash deposits directly in its bank account from its clients beyond the applicable thresholds, in such a case is it still required to file CTR because cash was not received at its premises rather it was received in its bank account.



The cash is deposited in the bank account of the regulated entity beyond a given threshold, the RE is required to file STR with the FMU. Since the cash is neither transacted nor handled by the regulated entity and is deposited at a bank which is already obligated to reporting requirement under section 7 of the AML Act, 2010, therefore CTR is not required to be filed by regulated entity.