

Frequently Asked Questions
on
Targeted Financial Sanctions (TFS) under
UNSC Resolutions



SECP

**SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN**

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SECP is pleased to publish this fifth version of SECP's Frequently Asked Questions (FAQs) on AML/CFT aiming to provide clear and concise answers to basic questions, that surfaced during our awareness sessions with the industry on AML/CFT Obligations under the SECP AML/CFT Regulations, 2020 and guidelines on Regulations, and in our discussions with investors, brokerage, NBFC and insurance industry, regulators, and others.

These FAQs aim 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.

1. What are the legal instruments on the Targeted Financial Sanctions (TFS) that the regulated person is required to ensure compliance with while undertaking their TFS obligations?

TFS obligations are provided under the following legal instruments:

- a) United Nations (Security Council) Act, 1948 (UNSC Act)
- b) United Nations Security Council (Freezing and Seizure) Order, 2019
- c) Statutory Regulatory Orders (SROs) issued under UNSC Act
- d) Anti-Terrorism Act, 1997 (ATA)
- e) Notifications issued under ATA
- f) AML Act, 2010 and rules, regulations and directives issued thereunder.

2. What are the UNSC and Domestic Sanctions Regimes in Pakistan?

The Government of Pakistan under the UNSC Act gives effect to the decisions of United Nations Security Council (UNSC) whenever the Consolidated List is updated maintained by the relevant Sanctions Committee. The details of sanctions imposed by the UNSC along with the Consolidated Lists are available on the UNSC Sanctions Committees' websites at the following links:

- a) <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>
- b) <https://scsanctions.un.org/search/>
- c) <https://www.un.org/securitycouncil/sanctions/1267>
- d) <https://www.un.org/securitycouncil/sanctions/1988>
- e) <https://www.un.org/securitycouncil/sanctions/1718>
- f) <https://www.un.org/securitycouncil/content/2231/background>

3. Where can I find notifications issued by the Ministry of Foreign Affairs on United Nations Security Council Resolutions?

MOFA issues SROs to provide legal cover for implementing sanction measures under UNSC resolutions. These SROs in respect of designated individuals/ entities require assets freeze, travel ban and arms embargo in addition to other measures in accordance with the UNSC resolutions, and are available publicly at the following links:

- a) <http://mofa.gov.pk/unsc-sanctions/>
- b) <http://www.secdiv.gov.pk/page/sro-unscr-sanctions>

4. Where can I find notifications from National Counter Terrorism Authority/Law Enforcement Agencies/ Home Departments of Provinces/Ministry of Interior regarding updates in list of proscribed persons under the Anti- Terrorism Act, 1997?

For implementing sanction measures under UNSC Resolution 1373 (2001), the Ministry of Interior and respective Home Departments/ Chief Commissioner ICT issues Notifications of proscribed entities and individuals respectively, pursuant to the ATA, 1997. The consolidated lists of proscribed individuals and entities are available publicly at the following links:

- a) <https://nacta.gov.pk/proscribed-organizations-3/>
- b) <https://nacta.gov.pk/pp/>
- c) <https://nfs.punjab.gov.pk/>

5. How are the Notifications issued by MOFA or intimation from NACTA/LEAs/ Home Departments of Provinces/MoI regarding updates in list of proscribed persons/entities?

To ensure prompt transmission of SROs issued by MOFA to relevant stakeholders, including SECP regulated entities, MOFA has put in place an email subscription service. Regulated entities are required to sign up for this service through MOFA's website.

Similarly, to communicate addition/ deletion/ retention/amendments in the list of proscribed individuals, a system-generated email is circulated by the competent authority to regulated entities.

In addition to above electronic dissemination mechanisms, SECP also circulates the subject SROs/ Notifications to its regulated entities as an additional measure.

6. Where can I find guidelines issued by MOFA and NACTA on TFS?

The guidance on implementation of TFS obligations has been issued by MOFA & NACTA including de-listing and unfreezing obligations, The detailed Guidelines are as follows:

TFS on Terrorism and Terrorism Financing:

- MOFA's Guidelines on the Implementation of UNSC Resolutions concerning Targeted Financial Sanctions, Travel Ban, and Arms Embargo
<http://mofa.gov.pk/wp-content/uploads/2020/04/Guidelines-forImplementation-of-UNSC-1267-Sanctions.pdf>
- NACTA's Guidelines on Actions to be taken by Competent Authorities for Implementation of United Nation Security Council Resolution No. 1373
<https://nacta.gov.pk/united-nations-security-council-resolution-1373/>

TFS on Proliferation:

- MOFA's Guidelines on the Implementation of UNSC Resolutions concerning Targeted Financial Sanctions on Proliferation Financing
http://secdiv.gov.pk/uploads/CRMC_Guidelines_on_TFS_for_PF-38da.pdf

The Regulated person may seek further guidance from Government of Pakistan through SECP regarding any queries on the subject.

7. What guidance should be provided to affected persons by the Financial Institution?

Regulated entities should educate their customers that in case of any wrongful or inadvertent freezing, they may apply in writing for de-listing to Government of Pakistan through relevant Ministry or to the UN's Ombudsperson, as the case may be.