SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION

No. SC/NBFC/NAB/88/2004
February 18, 2004

Circular 11 of 2004

Subject: Reporting of suspicious financial transactions under the National Accountability Ordinance, 1999

Enclosed please find a copy of letter dated 29-1-2004 received from the National Accountability Bureau (NAB) requiring all Non-Banking Finance Companies (including Modarabas) to comply with the provisions of Section 20 of the National Accountability Ordinance, 1999. The contents of the said section have been reproduced in the above quoted letter of NAB, for ready reference.

You are, therefore, directed to ensure compliance of Section 20 of the National Accountability Ordinance, 1999, in letter and spirit.

Please acknowledge receipt.

(Hasan Ashraf)
Deputy Director

Distribution:

1. Chief Executives of all Non-Banking Finance Companies and Modarabas
2. The Chairman, Investment Banks Association of Pakistan
3. The Chairman, Leasing Association of Pakistan
4. The Chairman, Mutual Funds Association of Pakistan
5. The Chairman, Modaraba Association of Pakistan

CC: Mr. Asad Lateef
Acting DG-FCIW
National Accountability Bureau
Financial Crimes Investigation Wing
Atta Turk Avenue, G-5/2, Islamabad

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
PABX: 9207091-4 Ext. [317] - Fax. No. 9218590, E-mail: secphq@isb.paknet.com.pk

FINANCIAL CRIMES
INVESTIGATION WING

GOVERNMENT OF PAKISTAN
NATIONAL ACCOUNTABILITY BUREAU
Atta Turk Avenue, G.5/2
ISLAMABAD

PHONE NO - 051- 9203012
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No.86/1/Bank-S-86/NAB.
Dated: January 29, 2004

The Chairman
Securities & Exchange
Commission of Pakistan
NIC Building, Jinnah Avenue
Blue Area, Islamabad. Fax No.051- 9205692

Sub: **SUSPICIOUS FINANCIAL TRANSACTIONS.**

Dear Sir,

1. I am directed to draw your attention to Section-20 of NA Ordinance 1999, which requires all banks and financial institutions to report suspicious financial transactions to NAB. As a reminder the Section states as under: -

"Section-20. Reporting of suspicious financial transactions:

(b) Notwithstanding anything contained in any law for the time being in force, it shall be the duty of all banks and financial institutions to take prompt and immediate notice of all unusual or large transactions in an account, which have no apparently genuine economic or lawful purpose and upon bonafide professional judgement of the Bank or financial institution that such transactions could constitute or be related to **an offence under this Ordinance**, the manager or director of such Bank or financial institution shall report all such transactions to the Chairman NAB forthwith by the quickest possible mode of communication to be confirmed in writing.

(b) Whosoever fails to supply the information in accordance with sub section (a) shall be punishable with rigorous imprisonment, which may extend to 5 years, and with fine."

2. It is noteworthy that since the promulgation of N.A Ordinance 1999, no suspicious transactions have been reported by the banks / NBFCs to the bureau, you are therefore requested to instruct the banks / NBFCs to comply with the foregoing law & consequences of non-compliance accordingly.

Yours truly,

(Asad Lateef)
Acting DG-FCIW