

**Circular No. 5 Reference No. 6(90)R.M/2000-106**  
**Requirements for Anti Money Laundering Initiative-Additional condition**  
**No.1/2003 to modaraba authorization certificate.**

---

*February 21, 2003*

---

The Chief Executives  
of all Modaraba Companies.

Securities and Exchange Commission of Pakistan has set up an Anti Money Laundering Unit to combat the money laundering practices in the corporate sector. In this connection, in terms of power conferred by section 11 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 read with rule 3(2)(e) of the Modaraba Companies and Modaraba Rules, 1981 the following additional conditions for conducting the business by Modarabas are hereby imposed, which shall also be deemed to be part of the conditions of the certificate already granted for authorization to float a Modaraba:

- (i) All the Modarabas shall accept deposits from an investor only after ensuring that an account has been opened in the investor's name using an account opening form that is to be developed by the respective industry associations in consultation with the Commission.
- (ii) Every payment or receipt exceeding Rs. 50,000/- shall be made through crossed cheque effective July 1, 2003.

**(Umar Hayat Khan)**  
Registrar  
Modaraba Companies and Modaraba