

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Zafar Moti Capital Securities (Pvt.) Limited

Dates of Hearing

April 30, 2021

Order-Redacted Version

Order dated June 03, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Zafar Moti Capital Securities (Pvt.) Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated March 12, 2021.
2. Name of Company	Zafar Moti Capital Securities (Pvt.) Limited
3. Name of Individual*	The proceedings were initiated against the Company.
4. Nature of Offence	Alleged contraventions of <u>Section 40A of the Securities and Exchange Commission of Pakistan Act 1997 (the Act)</u> .
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have considered the written as well as oral submissions of the Respondent and its Representative and observed that with regard to the alleged violation of:</p> <p>(i) regulations 3(1)(a) and (c), 13(7), 15(3), 20(b), 6(3)(c), 6(3)(a), 11(2), 6(8), 9(4)(b) of the AML Regulations, during the hearing as well as in written response, the Respondent admitted the identified defaults and submitted that the highlighted deficiencies existed at the time of Inspection, were subsequently rectified; and</p> <p>(ii) regulation 6(4) of the AML Regulations, the Representatives during the hearing admitted the default and submitted that Respondent did not had NADRA Verysis system, therefore, it</p>

	<p>was unable to perform requisite validations of identity documents in highlighted instances. Further, the representative informed that the Respondent is in the process of acquiring the said system for improving compliance with the AML Regulations.</p> <p>In view of the foregoing and admission made by the representative, contraventions of the provisions of regulations 3(1)(a) and (c), 13(7), 15(3), 6(4), 20(b), 6(3)(c), 6(3)(a), 11(2), 6(8), 9(4)(b) of the AML Regulations have been established. Therefore, in terms of powers conferred under section 40A of the Act, a penalty of Rs.650,000/- (Rupees Six Hundred and Fifty Thousand Only) is hereby imposed on the Respondent. The Respondent is hereby advised to examine its AML/CFT policy & procedures to ensure that the requirements contained in the AML Regulations are met in letter and spirit.</p>
6. Penalty Imposed	Rs. 650,000/-
7. Current Status of Order	No Appeal has been filed by the respondents.