

SECP continues its outreach to financial institutions on their AML/CFT obligations

ISLAMABAD, December 29: Continuing its outreach to financial institutions to promote a clear understanding of their AML/CFT obligations and terrorism financing risks, the SECP has conducted a session in Islamabad. A large number of representatives from the regulated sectors, i.e., securities and commodities market, insurance/takaful companies, non-banking finance companies and modaraba sector attended the awareness session. The participants from Lahore were connected through video link.

Mr. Tariq Bakhtawar, director, SECP, shared outcomes of the national risk assessment of terrorism financing and sector risk assessment on money laundering. National Executive Committee (NEC) approved the terrorist financing risk assessment on December 18, 2018, that has been jointly prepared by National Counter Terrorism Authority (NACTA) and the FIA in consultation with a number of relevant authorities.

Referring to FATF Recommendation 1 – Assessing Risks and Applying Risk-based Approach and the Immediate Objective 1, Mr. Bakhtawar emphasized that regulated entities should understand their business dynamics and assess their risks related to customers, products, channels and geographical locations accordingly.

Furthermore, the regulated entities should enhance their understanding on AML/CFT issues by taking inference from the international best practices and typologies research and regularly conduct capacity building sessions for their staff.

The session stressed on strengthening the AML/CFT compliance framework in particular to identification/ verification of beneficial ownerships, developing internal policies, procedures and controls and ensuring UNSCR compliance as required under the SECP AML/CFT Regulations, 2018.

