



MAAN SECURITIES PRIVATE LIMITED  
Anti-Money-Laundering-(Second-Amendment)-Act-2020-  
(As-passed-by-Parliament-Gazetted)

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**No F.22 (50)/2020-Legis.—the following Act of Majlist-e-Shoora (Parliament) received the assent of the President on the 22nd September, 2020 is hereby published for general information:—**

***Maan securities (pvt) Ltd further to amend the Anti-Money Laundering Act, 2010 All transactions Received and Paid in PKR & only 25000/-Pkr received in form of cash.***

**WHEREAS it is expedient further to amend the Anti-Money Act, 2010 (VII of 2010), for the purposes hereinafter appearing;**

**It is hereby enacted as follows:—**

**1. Short title and commencement-0) This Act may be called the Anti-Money Laundering (Second Amendment) Act, 2020.  
574 THE GAZETTE OF PAKISTAN, EXTRA. SEPTEMBER 24, 2020 [PART**

(2)' It shall come into force at once.

**2. Substitution of section 2, Act VII of 2010. —** In the AntiMoney Laundering Act, 2010 (Act VII of 2010), hereinafter referred to as the said Act, for section 2, the following shall be substituted, namely:—

**2. Definitions. — In** this Act, unless there is anything repugnant in the subject or context,—

- (i)
- (ii) "attachment" means prohibition of transfer, conversion, disposition or movement of property by an order issued under section 8;
- (iii) "beneficial owner" means, —
- (iv) ) "corporate group" means a group that consist, of a parent entity exercising control or management on branch or

(1) Natural person who ultimately owns or controls a customer or the natural person on whose behalf a transaction is being conducted; or

(ii) Natural person who exercises ultimate effective control over a legal person or legal arrangement;"business relationship" means professional or commercial relationship between a reporting entity and a customer to conduct transaction, activity or to provide service or product;

- (v) "CDC" means customer due diligence and the obligations set out in section 7A:
- (vi) "**company**" means anybody corporate and includes a firm or other association of individuals;
- (vii) "competent authorities" means the regulators, oversight bodies for SRBs, the Financial Monitoring Unit and the investigating or prosecuting agencies as defined in this

**PART THE GAZETTE OF PAKISTAN, EXTRA. SEPTEMBER 24, 2020 575**

**Subsidiary that are subject to AMLICFT policies and procedures at the group level;**

- (x) "**Court**" means the Court specified under section 20;
- (xi) "**CTR**" means report on currency transactions exceeding such amount as may be specified by the National Executive Committee by notification in the official Gazette;
- (xii) "**designated non-financial businesses and professions**" or "**DNFBPs**" means the following persons, namely:—
  - (a) real estate agents, including builders and real estate developers, when performing the prescribed activities in the prescribed circumstances and manner;
  - (b) dealers in precious metals and precious stones, including jewelers and gem dealers, when performing the prescribed activities in the prescribed circumstances and manner;

**(C) Lawyers, notaries, accountants and other legal professionals\_\_\_\_\_who carryout monetary transactions for their clients concerning the following activities: \_\_**

**(I) Managing, operating, buying and selling of real estate, legal persons and legal arrangements and preparing documents therefor;**

**(II) Managing of client money, securities or other assets;**

**WI) managing bank, savings - or securities accounts; or**

**(IV) Organizing contributions for the creation, operation or management of companies;**

**(c) trust and company service providers, when they carry out monetary transactions or services for a client concerning the following activities:—**

- (I) acting as a formation agent of legal persons;**
  - (II) acting as or arranging for another person to act as a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;**
  - (III) providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;**
  - (IV) acting as or arranging for another person to act as a trustee of a trust or performing the equivalent function for another form of legal arrangement; and**
  - (V) acting as or arranging for another person to act as a nominee shareholder for another person; and**
- (e) Such other designated non-financial businesses and professions as may be notified by the Federal Government;**
- (xiii) "Director General" means the Director General of FMIJ appointed under sub-Section (3) of section 6;**
- (xiv) "financial institution" includes any person carrying on any one or more of the following activities, namely:—**
- (a) acceptance of deposits and other repayable funds from the public;**
  - (b) lending in whatsoever form;**
  - (c) financial leasing;**
  - (d) money or value transfer;**
  - (e) issuing and managing means of payments including but not limited to credit and debit cards, cheque's,**

**Traveler's cheque, money orders, bank drafts and electronic money;**

- (f) financial guarantees and commitments; and**
- (g) trading in —**
  - (i) money market instruments;**
  - (ii) foreign exchange;**
  - (iii) exchange, interest rate and index instruments;**
  - (iv) transferable securities;**
  - (v) commodity futures trading;**
  - (vi) participation in shares issues and the provision of services related to such issues;**
  - (vii) individual and collective portfolio management;**
  - (viii) safe keeping Administration of cash or liquid securities on behalf of other persons;**
  - (ix) investing, administering or managing *funds* or money on behalf of other persons;**
  - (x) insurance business transactions;**
  - (xi) money and currency changing; and**
  - (xii) carrying out business as intermediary;**
- (xv) "FIVIU" means the Financial Monitoring Unit established under section 6;**
- (xvi) "foreign serious offence" means an offence,—**
  - (a) against the law of a foreign state stated in a certificate issued by, or on behalf of, the government of that foreign state; and**
  - (b) Which, had it occurred in Pakistan, would have constituted a predicate offence;**

- (xvii) "investigating officer" means the officer nominated or appointed under section 24;
- (xviii) "investigating or prosecuting agency" means the National Accountability Bureau (NAB), Federal Investigation Agency (FIA), Anti-Narcotics Force (ANF), Directorate General (Intelligence and Investigation -- Customs) Federal Board of Revenue, Directorate General (Intelligence and Investigation Inland Revenue) Federal Board of Revenue, Provincial Counter Terrorism Departments or any other law enforcement agency as may be notified by the Federal Government for the investigation or union of an offence under this Act;
- (xix) "legal arrangements" means trusts, *wale's* or other similar legal arrangements as may be defined in any other law;
- (xx) "legal person" means companies, associations, foundations, partnerships, societies and any other legal person as may be defined in any other law;
- (xxi) "National Executive Committee" means the National Executive Committee constituted under section 5;
- (xxii) "occasional transactions" means any transaction conducted by a reporting entity for a customer with whom the reporting entity does not have a business relationship;
- (xxiii) "offence of money laundering" has the meaning as defined in section 3;
- (xxiv) "oversight body for SRB" means a body appointed by the Federal Government by notification in the official Gazette to monitor the compliance of an SRB with respect to the provisions of this Act;
- (xxv) "person" means any natural or legal person;
- (xxvi) "predicate offence" means an offence specified in Schedule-I to this Act;
- (xxvii) "prescribed" means prescribed by rules or regulations made under this Act;
- (xxviii) "Proceeds of crime" means any property derived or obtained directly or indirectly by any person from a

Commission of a predicate offence or a foreign serious offence;

- (xxix) "proliferation financing" means the financing of proliferation of weapons of mass destruction;
- (xxx) "property" means property or assets of any description, whether corporeal or incorporeal, movable or immovable, tangible or intangible and includes deeds and instruments evidencing title to, or interest in, such property or assets, including cash and monetary instruments, wherever located;
- (xxxix) "property involved in money laundering" means, regardless of who holds or has held the property, proceeds of crime, property derived or obtained directly or indirectly from the offence of money laundering and property used or intended to be used in commission of the offence of money laundering, a predicate offence or a foreign serious offence;
- (xxxix) "record" includes the records maintained in the form of books or stored in a computer or any electronic device, or such other forms as may be prescribed;
- (=chi) "Regulator" means a regulator as mentioned in clause 1 of Schedule —IV;
- (xxxiv) "reporting entity" means financial institutions and DNFBPs and any other person notified by the Federal Government in the official Gazette;
- (xxxv) "risk" means the risk of money laundering or the risk of financing of terrorism;
- (xxxvi) "SBP" means the State Bank of Pakistan established under the State Bank of Pakistan Act, 1956 (XXXIII of 1956);
- (xxxvii) "Schedule" means schedule to this Act;
- (xxxviii) "SECP" means the Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);
- (wax) "SRB" means a self-regulatory body as mentioned in clause 2 of Schedule-IV;



(xi) "STR" or "Suspicious Transaction Report" means the report on suspicious transaction as provided under section 7;

(Ai) "TFS" or "targeted financial sanctions" means the freezing and prohibition obligations in relation to the property of the designated or proscribed persons under the United Nations (Security Council) Act, 1948 (XIV of 1948) or the Anti-terrorism Act, 1997 (XXVII of 1997) and any rules or regulations made thereunder; and

(xlii) "Transfer" means sale, lease, purchase, mortgage, pledge, gift, loan or any other form of transfer of right, title, possession or lien."

**3: Substitution of section 4, Act VII of 2010. — In the said Act, for section 4, the following shall be substituted, namely**

**"4 Punishment for money laundering. — (1) Whoever: omits the offence of money laundering shall be punished with rigorous imprisonment for a term which shall not be less than one year but may extend upto ten years and shall also be liable to fine which may extend upto twenty-five million rupees and shall also be liable to forfeiture of property involved in money laundering or property of corresponding value.**

**(1) The fine under sub-section (1) may extend upto one hundred million rupees in case of a legal person. Any director, officer or employee of such legal person who is also found guilty under this section shall also be punishable as provided under sub-section (1)."**

**4. Substitution of section 5, Act VII of 2010. — In the said Act, for section 5, the following shall be substituted, namely:—**

**"5 National Executive Committee (1) Within thirty days of the commencement of this Act, the Federal Government shall, by notify action in the official Gazette, constitute a committee to be known as the National Executive Committee which shall consist of the members as mentioned in Schedule-11.**

**(2) The National Executive Committee shall hold its meetings at least twice a year and shall be responsible to perform the following functions, namely:-**

**(a) Make recommendations to the Federal Government to make rules for effective implementation of this Act and framing o**

National policy to combat money laundering and financing of terrorism;

- (b) make recommendations to the Federal Government to make rules for the determination of offences existing in Pakistan that may be considered to be predicate offences for the purposes of this Act;
- (c) make recommendations to the Federal Government on the application of countermeasures as called for by the Financial Action Task Force (FATF) to combat money laundering and financing of terrorism;
- (d) provide guidance and recommendations in making rules and regulations under this Act;
- (e) approve, review and oversee the implementation of a national strategy to fight money laundering and financing of terrorism;
- (f) seek reports from competent authorities as it may require, including an annual report containing overall analysis of **the** STRs and CTRs, statistics concerning the investigations and prosecutions conducted in relation to the offences of money laundering and the financing of terrorism in Pakistan, statistics of supervisory actions taken by the AMUCFT regulatory authorities according to clause (1) of sub-section (2) of section 6A or by the oversight body for SRB according to section 6C. **In** this behalf, Secretary of the National Executive Committee may call periodic reports from the AML/CFT regulatory authorities, oversight body for SRB, investigating and prosecuting agencies in such 'manner as may be specified by him;
- (g) Discuss any other issue of national importance relating to money laundering and financing of terrorism; and
- (h) Undertake and perform such other functions as assigned to it by the Federal Government, relating to money laundering and financing of terrorism.

(3) The National Executive Committee may constitute one or more - sub-committees to perform such functions as it may deem fit.

(4) The National Executive Committee may delegate or assign its functions to the General Committee or a sub-committee, if deems appropriate.

(5) The Federal Government shall, by notification in the official Gazette, constitute a committee to be known as the General Committee which shall consist of the members as mentioned in Schedule-III,

(6) The General Committee shall assist the National Executive Committee for the purposes of this Act.

(7) The General Committee may invite any person to participate in its meeting as it deems necessary.

(8) The General Committee shall perform the following functions, namely:-

- (a) develop a national strategy to fight money laundering and financing of terrorism;
- (b) issue necessary directions to the investigating or prosecuting agencies, ATVIL/CFT regulatory authorities, FMU and any other authority appointed by the Federal Government involved in the implementation and administration of this Act, including measures for development and performance review of such agencies and authorities;
- (c) seek reports from the competent authorities as it may require, including an annual report containing overall an analysis of the STRs and CTRs, statistics concerning the investigations and prosecutions conducted in relation to the offences of money laundering and the financing of terrorism in Pakistan, statistics of supervisory actions taken by the AML/CFT regulatory authorities according to clause (I) of sub-section (2) of section 6A or by the oversight body for SRB according to section 60. In this behalf, Secretary of the General Committee may call periodic reports from the AML/CFT regulatory authorities, oversight body for SRB, investigating and prosecuting agencies in such manner as may be specified by the Secretary;
- (d) approve FMU's budgetary proposals for achieving the objects of this Act;
- (e) approve FMU's staffing requirements, pay, allowances, privileges and compensation packages and other matters incidental thereto;
- (1) Provide necessary assistance to the National Executive Committee in carrying out its functions and duties under this

