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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 23rd September, 2020

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:—

ACT NO. XXX OF 2020

AN

ACT

further to amend the Anti-Money Laundering Act, 2010

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.—(1) This Act may be called the Anti-Money Laundering (Second Amendment) Act, 2020.

(573)

Price: Rs. 40.00

[6061(2020)/Ex. Gaz.].

(2) It shall come into force at once.

2. Substitution of section 2, Act VII of 2010.— In the Anti-Money 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) “AML/CFT” means anti money laundering and countering financing of terrorism;
- (ii) “AML/CFT regulatory authority” means the regulator or SRB as defined under section 6A;
- (iii) “attachment” means prohibition of transfer, conversion, disposition or movement of property by an order issued under section 8;
- (iv) “beneficial owner” means,—
 - (i) 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;
- (v) “business relationship” means professional or commercial relationship between a reporting entity and a customer to conduct transaction, activity or to provide service or product;
- (vi) “CDD” means customer due diligence and the obligations set out in section 7A;
- (vii) “company” means any body corporate and includes a firm or other association of individuals;
- (viii) “competent authorities” means the regulators, oversight bodies for SRBs, the Financial Monitoring Unit and the investigating or prosecuting agencies as defined in this Act;
- (ix) “corporate group” means a group that consists of a parent entity exercising control or management on branch or

subsidiary that are subject to AML/CFT 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 jewellers and gem dealers, when performing the prescribed activities in the prescribed circumstances and manner;
 - (c) lawyers, notaries, accountants and other legal professionals who carry out 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;
 - (III) managing bank, savings or securities accounts; or
 - (IV) organizing contributions for the creation, operation or management of companies;
 - (d) 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 FMU 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, cheques,

traveller's cheques, 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) safekeeping and 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) "FMU" 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 prosecution of an offence under this Act;
- (xix) “legal arrangements” means trusts, *waqfs* 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 the

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;
- (xxxii) “record” includes the records maintained in the form of books or stored in a computer or any electronic device, or such other form as may be prescribed;
- (xxxiii) “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);
- (xxxix) “SRB” means a self-regulatory body as mentioned in clause 2 of Schedule-IV;

- (xl) “STR” or “Suspicious Transaction Report” means the report on suspicious transaction as provided under section 7;
- (xli) “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 commits 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.

(2) 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 notification 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-II.

(2) The National Executive Committee shall hold its meetings atleast 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 of

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 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 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, AML/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 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 6C. 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;
- (f) provide necessary assistance to the National Executive Committee in carrying out its functions and duties under this Act;

- (g) discuss any other issue of national importance relating to money laundering and terrorist financing; and
- (h) undertake and perform such other functions as assigned or delegated to it by the National Executive Committee.

(9) The General Committee may constitute one or more sub-committees to perform such functions as it may deem fit.”.

5. Substitution of section 6, Act VII of 2010.— In the said Act, for section 6, the following shall be substituted, namely:—

“6. Financial Monitoring Unit.— (1) The Federal Government shall, by notification in the official Gazette, establish a Financial Monitoring Unit which shall be housed in SBP or at any other place in Pakistan.

(2) The FMU shall have independent decision making authority on day-to-day matters falling within its area of responsibility.

(3) The Federal Government in consultation with SBP shall appoint a Director General who shall be a financial sector specialist to head FMU. He shall exercise all powers and perform all functions of the FMU subject to the administrative oversight of the General Committee.

(4) The FMU shall have the following powers and the functions, namely:—

- (a) to receive STRs and CTRs from reporting entities as may be necessary to accomplish the objectives of this Act;
- (b) to analyse the STRs and CTRs and in that respect the FMU may call for record and information from any agency or person in Pakistan related to the transaction in question. All such agencies or persons shall be required to promptly provide the requested record and information;
- (c) to disseminate on a confidential basis, after analyzing the STRs and CTRs and other record, necessary information or material to the concerned investigating or prosecuting agencies for enquiry or other action under this Act or any other applicable law;
- (d) to create and maintain a data base of all STRs and CTRs, related information and such other materials as the Director General determines are relevant to the work of the FMU and

in that respect, the FMU is authorized to establish necessary analytic software and computer equipment to effectively search the database, sort and retrieve information and perform real time linkages with databases of other agencies both in and outside Pakistan as may be required from time to time;

- (e) to cooperate with financial intelligence units of other countries and to make reciprocal arrangements in order to share, request and receive information relating to money laundering, predicate offences and financing of terrorism and any other information that may be necessary to accomplish the objectives of this Act ;
- (f) to represent Pakistan at all international and regional organizations and groupings of financial intelligence units and other international groups and forums which address the offence of money laundering, financing of terrorism and other related matters;
- (g) to request the investigating or prosecuting agencies any feedback regarding the disseminations made under clause (c) in the form of periodic reports or statistics concerning the investigations and prosecutions of money laundering and financing of terrorism in Pakistan;
- (h) to make regulations in consultation with the AML/CFT regulatory authorities for ensuring receipt of STRs and CTRs from reporting entities with the approval of the National Executive Committee;
- (i) to enter into arrangements with domestic agencies, authorities, or any reporting entity or any of its officers as may be necessary for getting facilitation in implementation of the provisions of this Act, or the rules or regulations made hereunder; and
- (j) to perform all such functions and exercise all such powers as are necessary for, or ancillary to, the attainment of the objectives of this Act.

(5) On considering STR or CTR, the FMU may, if deems necessary, convey matters involving regulatory or administrative action to the concerned regulatory or administrative body for appropriate action.

(6) Subject to the regulations sanctioned by the National Executive Committee in this behalf, the Director General may, if there appear to be reasonable grounds to believe that a property is involved in money laundering, order freezing of such property, for a maximum period of fifteen days, in any manner that he may deem fit in the circumstances.”.

6. Insertion of new sections, Act VII of 2010.— In the said Act, after section 6, substituted as aforesaid, the following new sections shall be inserted, namely:—

“6A. AML/CFT regulatory authority.—(1) AML/CFT regulatory authority means the regulators and SRBs as specified in Schedule IV. They shall exercise the powers and perform the functions as set out in this Act and as prescribed thereunder.

(2) AML/CFT regulatory authority shall exercise and perform the following powers and functions with respect to its reporting entities, namely:—

- (a) licensing or registration of reporting entities;
- (b) imposing any conditions to conduct any activities by reporting entities to prevent the offence of money laundering, predicate offence or financing of terrorism;
- (c) issuing regulations, directions and guidelines with respect to sections 7A to 7H;
- (d) issuing regulations, directions and guidelines with respect to financing of proliferation obligations;
- (e) providing feedback to reporting entities for the purpose of compliance with the requirements of sections 7A to 7H and as prescribed thereunder;
- (f) monitoring and supervising, including conducting inspections, for the purpose of determining compliance with the requirements of sections 7(1), 7(3) to 7(6) and 7A to 7H and any rules or regulations made thereunder and with the orders or regulations made thereunder that impose TFS obligations;
- (g) compelling production of information relevant to monitoring compliance with the requirements of sections 7(1), 7(3) to 7(6) and 7A to 7H and any

orders, rules or regulations made thereunder that impose TFS obligations;

- (h) impose sanctions, including monetary and administrative penalties to the extent and in the manners as may be prescribed, upon their respective reporting entity, including its directors and senior management and officers, who violate any requirement in sections 7(1), 7(3) to 7(6) and 7A to 7H and any rules or regulations made thereunder or those who fail to comply with the TFS regulations. Any person aggrieved by the imposition of sanctions under this clause may prefer an appeal in such manner and within such period to such authority as may be prescribed;
- (i) maintaining statistics of the actions performed in respect of the functions and powers conferred by this Act, in order to report to the National Executive Committee and the General Committee as required; and
- (j) exercising any other powers and performing any other functions that may otherwise be provided in any other applicable law.

6B. International cooperation by regulators.— The regulators as specified in clause 1 of Schedule IV shall co-operate with their foreign counterparts and shall make reciprocal arrangements to be reduced in writing to share, request and receive information relating to the requirements of this Act and any regulations made thereunder.

6C. Oversight body for SRBs.— The Federal Government shall by notification in the official Gazette, appoint an oversight body for the SRBs mentioned in clause 2 of Schedule IV which shall exercise and perform the following powers and functions with respect to their respective SRB, namely:—

- (a) make regulations for the SRB with respect to the provisions of this Act;
- (b) monitor and oversee the SRB in accordance with the provisions of this Act;
- (c) impose sanctions, to the extent and in the manner as may be prescribed, upon their respective SRB who fails to comply with any provision of this Act and any rules or regulations made thereunder; and

- (d) exercise any other powers and perform any other functions as may be notified by the Federal Government in the official Gazette.”.

7. Amendment of section 7, Act VII of 2010.— In the said Act, in section 7,—

- (a) for the words “Suspicious Transaction Reports”, wherever occurring, the expression “STRs” shall be substituted;
- (b) in sub-section (1), in clause (b), for the word “section”, the word “Act” shall be substituted;
- (c) in sub-section (2), after the word “body”, occurring for the first time, the expression “oversight body for SRB, AML/CFT” shall be inserted; and
- (d) sub-section (7) shall be omitted.

8. Insertion of new sections, Act VII of 2010.— In the said Act, after section 7, amended as aforesaid, the following new sections shall be inserted, namely:—

“7A. Conducting CDD.—(1) Every reporting entity shall conduct CDD in the manner as may be prescribed and in accordance with the provisions of this Act in the following matters, namely:—

- (a) entering into a business relationship;
 - (b) conducting an occasional transaction above the prescribed threshold;
 - (c) where there is a suspicion of money laundering or terrorist financing; or
 - (d) where there are doubts about the veracity or adequacy of previously obtained data.
- (2) Every reporting entity shall—
- (a) identify the customer and verify the customer’s identity on the basis of documents, data or information obtained from reliable and independent sources;
 - (b) identify the beneficial owner and take reasonable measures to verify the beneficial owner’s identity on the basis of

documents, data or information obtained from reliable sources and be satisfied that it knows who the beneficial owner is;

- (c) understand and, as appropriate, obtain information on the purpose and intended nature of the business relationship; and
- (d) monitor the business relationship on an ongoing basis.

7B. Reliance on third parties.— A reporting entity may rely on third party to perform CDD in the manner as may be prescribed.

7C. Record keeping.— Every reporting entity shall maintain a record of all transactions for a period of at least five years following the completion of the transaction and records of account files, business correspondence, documents of all records obtained through CDD and the results of any analysis undertaken for a period of at least five years following the termination of the business relationship.

7D. Inability to complete CDD and tipping off.— (1) Where a reporting entity is unable to complete CDD requirements, it—

- (a) shall not open the account, commence business relations or perform the transaction; or shall terminate the business relationship if any; and
- (b) shall promptly consider filing an STR in relation to the customer.

(2) Where a reporting entity forms a suspicion of money laundering or terrorist financing and reasonably believes that performing the CDD process will tip-off the customer, the reporting entity shall not pursue the CDD process and shall file an STR.

7E. Anonymous business relationships and transactions.— No reporting entity shall enter into a business relationship or conduct any transaction with a customer who is anonymous or provides a fictitious name.

7F. Risk understanding.— Every reporting entity shall take appropriate steps to identify, assess and understand the risks to which its business is subjected to, in accordance with this Act and as prescribed.

7G. Compliance program.— Every reporting entity shall implement compliance management arrangements, including the appointment of a

compliance officer at a management level and training programs, having regard to the money laundering and terrorism financing risks and the size of the business during the course of their activities subject to this Act and as prescribed.

7H. Policies and procedures.— Every reporting entity shall implement policies and procedures to ensure their compliance with the provisions of this Act and orders, rules or regulations made thereunder that impose TFS obligations upon reporting entities.

7I. Sanctions for reporting entities.—If any reporting entity or natural person contravenes any of the provisions of sections 7(1), 7(3) to 7(6) and 7A to 7H, it may be subjected to sanctions, as mentioned under clause (h) of section 6A and as may be prescribed.

7J. Appeal to concerned AML/CFT regulatory authority.—(1) Any person aggrieved by the delay or failure of a reporting entity to complete CDD requirements or establish business relationship or conduct any transaction, may file an appeal to the concerned AML/CFT regulatory authority within ninety days.

(2) The concerned AML/CFT regulatory authority shall decide the appeal within sixty days.”.

9. Insertion of new section 9A, Act VII of 2010.— In the said Act, after section 9, the following new section 9A shall be inserted, namely:—

“9A. Application of investigation techniques.—(1) The investigating officer may with the permission of the Court, within sixty days of such permission, use techniques including undercover operations, intercepting communications, assessing computer system and controlled delivery for investigation of offences of money laundering, associated predicate offences and financing of terrorism. The aforementioned period of sixty days may be extended upto further period of sixty days by the Court on a request made to it in writing. The Court may grant extension, if it is satisfied on the basis of situation or reasons given in the written request. The provisions of this sub-section shall be in addition to and not in derogation of any other law for the time being in force.

(2) The Federal Government may make rules to regulate the procedure and for execution of order for the purposes of this section.”.

10. Substitution of section 12, Act VII of 2010.—In the said Act, for section 12, the following shall be substituted, namely:—

“12. No civil or criminal proceedings against reporting entities in certain cases.—Save as otherwise provided in section 7, the reporting entities and their officers including but not limited to directors, chief executive, chief financial officer, employees, agents of the reporting entity or other authorized officers of a reporting entity shall not be liable to any civil, criminal or disciplinary proceedings against them for furnishing information required under this Act or the rules or regulations made thereunder in good faith.”.

11. Omission of section 16, Act VII of 2010.— In the said Act, section 16 shall be omitted.

12. Amendment of section 21, Act No. VII of 2010.— In the said Act, in section 21,—

- (a) in the marginal heading, for the word “non-cognizable”, the word “cognizable” shall be substituted;
- (b) in sub-section (1), in clause (a), for the words “non-cognizable”, the word “cognizable” shall be substituted;
- (c) in sub-section (2), in the proviso, for the words “financial institution” the words “reporting entity”, and for the words “regulatory authority” the expression “AML/CFT regulatory authority” shall be substituted; and
- (d) in sub-section (3), after the expression “FMU”, the words “or investigating or prosecuting agency” shall be added.

13. Substitution of section 25, Act VII of 2010.— In the said Act, for section 25, the following shall be substituted, namely:—

“25. Assistance to authorities.—(1) Notwithstanding the provisions of any other law, the officers of the Federal Government, Provincial Governments, local authorities and reporting entities shall provide assistance including but not limited to production of records, documents and information reasonably required by the investigating or prosecuting agency or FMU for the purposes of money laundering, predicate offences and financing of terrorism proceedings and investigations in accordance with the provisions this Act.

- (2) Whoever willfully fails or refuses to provide the required assistance under sub-section (1) shall be guilty of misconduct and shall be proceeded against by its respective department or organization and a report of such proceedings shall be submitted within reasonable time to the concerned investigating or prosecuting agency or FMU, as the case may be and shall be punished in the case of a natural person, with an imprisonment for a term which may extend up to five years, a fine which may extend to rupees one million or both, or in the case of a legal person, with a fine which may extend to ten million rupees.”.

14. Amendment of section 30, Act VII of 2010.— In the said Act, in section 30, in sub-section (4), for the words “bank or financial institution”, the words “reporting entity” shall be substituted.

15. Amendment of section 33, Act VII of 2010.— In the said Act, in section 33,—

- (a) in the marginal heading, for the word “Suspicious Transaction Report”, the expression “STR” shall be substituted;
- (b) in sub-section (1) for the words “suspicious transaction reporting”, the expression “STR” shall be substituted; and
- (c) in sub-section (2), for the words “regulatory authority”, the expressions “AML / CFT regulatory authority” shall be substituted.

16. Amendment of section 34, Act VII of 2010.— In the said Act, in section 34,—

- (a) for sub-section (1) the following shall be substituted, namely:—
- “(1) The directors, officers, employees and agents of any reporting entity or intermediary which report an STR or CTR pursuant to this law or any other authority, are prohibited from disclosing, directly or indirectly, to any person that the transaction has been reported unless there are disclosure agreements for corporate groups in accordance with regulations made hereunder.”; and
- (b) in sub-section (3), for the expression “financial institution, non-financial business and profession”, the word “reporting entities” shall be substituted.

17. Substitution of section 37, Act VII of 2010.— In the said Act, for section 37, the following shall be substituted, namely:—

“37. Offences by legal persons.— (1) Where a legal person commits an offence under this Act, every person thereof who at the time when the offence was committed was responsible for such commission of offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any natural person liable to punishment if he proves that the contravention took place without his knowledge or that he exercised all due diligence to prevent such contravention.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act is committed by a legal person and it is proved that the contravention has taken place with the consent, connivance or knowledge of any director, manager, secretary or other officer of any legal person, such director, manager, secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

Explanation.— For the purposes of this section, “director” in relation to a firm, means a partner in the firm.”.

18. Amendment to Schedule of the Act VII of 2010.— In the said Act, in the existing Schedule, for heading “THE SCHEDULE [see section 2(w)]”, the expression “SCHEDULE-I [see section 2 (xxvi)]” shall be substituted.

19. Insertion of new of Schedules, Act VII of 2010.— In the said Act, after Schedule-I, re-numbered and amended as aforesaid, the following new Schedules shall be added, namely:—

SCHEDULE-II

[see section 5(1)]

Members of National Executive Committee

1. The National Executive Committee shall comprise the following members:—

- (a) Minister for Finance or Adviser to the Prime
Minister on Finance

Chairman

- | | |
|--|-------------------------|
| (b) Minister for Foreign Affairs | <i>Member</i> |
| (c) Minister for Law and Justice | <i>Member</i> |
| (d) Minister for Interior | <i>Member</i> |
| (e) Minister for Economic Affairs | <i>Member</i> |
| (f) Governor SBP | <i>Member</i> |
| (g) Chairman SECP | <i>Member</i> |
| (h) Director General, FMU | <i>Member/Secretary</i> |
| (i) Director General FATF Cell | <i>Member</i> |
| (j) any other member on the special invitation of the National Executive Committee | <i>Member</i> |

2. The Director General FMU shall act as Secretary of the National Executive Committee.

SCHEDULE-III

[see section 5(5)]

Members of General Committee

1. The General Committee shall comprise the following members:—
- | | |
|--|-------------------------|
| (a) Secretary Finance | <i>Chairman</i> |
| (b) Secretary Interior | <i>Member</i> |
| (c) Secretary Foreign Affairs | <i>Member</i> |
| (d) Secretary Law and Justice | <i>Member</i> |
| (e) Chairman National Accountability Bureau | <i>Member</i> |
| (f) Chairman Federal Board of Revenue | <i>Member</i> |
| (g) Director General, Federal Investigation Agency | <i>Member</i> |
| (h) Director General, Anti Narcotics Force | <i>Member</i> |
| (i) Deputy Governor SBP | <i>Member</i> |
| (j) Commissioner SECP | <i>Member</i> |
| (k) Director General, FMU | <i>Member/Secretary</i> |

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|---|---------------|
| (l) Director General FATF Cell | <i>Member</i> |
| (m) any other member on the special invitation of the General Committee | <i>Member</i> |

2. The Director General FMU shall also act as Secretary of the General Committee.

SCHEDULE-IV

[see section 6A(1)]

AML/CFT Regulatory Authority

1. The following regulators are AML/CFT regulatory authorities for the purposes of this Act:—

- (i) SBP for any reporting entity licensed or regulated under any law administered by SBP;
- (ii) SECP for any reporting entity licensed or regulated by SECP under any law administered by SECP;
- (iii) Federal Board of Revenue for real estate agents, jewellers, dealers in precious metals and precious stones and accountants who are not the members of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP);
- (iv) National Savings (AML and CFT) Supervisory Board for national savings schemes;
- (v) Pakistan Post (AML and CFT) Supervisory Board for Pakistan Post; and
- (vi) any other such entity or regulatory authority as may be notified by the Federal Government.

2. The following SRBs are AML/CFT regulatory authorities for the purposes of this Act:—

- (i) the Institute of Chartered Accounts of Pakistan constituted under the Chartered Accountants Ordinance, 1961 (X of 1961) for their respective members;
- (ii) the Institute of Cost and Management Accountants of Pakistan (ICMAP) constituted under the Cost and Management

Accountants Act, 1966 (XIV of 1966) for their respective members;

- (iii) the Pakistan Bar Council constituted under the Legal Practitioners and Bar Councils Act, 1973 (XXXV of 1973); for lawyers and other independent legal professionals that are enrolled under the Pakistan Bar Council or Provincial Bar Councils or Islamabad Bar Council; and
- (iv) any other SRB as may be notified by the Federal Government.

TAHIR HUSSAIN,
Secretary.