

CONTENTS

SECTIONS:

Short title, extent and commencement.

Definitions.

Offence of money laundering.

Punishment for money laundering.

National Executive Committee

Financial Monitoring Unit.

AML/CFT regulatory authority.

International Cooperation by regulators.

Oversight body for SRBs.

Procedure and manner of furnishing information by reporting entities.

Conducting CDD.

Reliance on third parties.

Record Keeping.

Inability to Complete CDD and tipping off.

Anonymous business relationships and transactions.

Risk understanding.

Compliance program.

Policies and procedures.

Sanctions for reporting entities.

Appeal to concerned AML/CFT regularity authority.

Attachment of property involved in money laundering.

Investigation.

Application of investigation techniques.

23,
24.
25.
26.
27.
28.
29.
30.
31.
32.
33,
34,

35.
36.
37.
38.
39,
40.
41.
42.

Vesting of property in Federal Government.
Management of forfeited properties.

No civil or criminal proceedings against reporting entities in certain cases.
Power of survey.

Search and seizure.

Search of persons.

Omitted.

Retention of property.

Retention of records.

Presumption as to records or property in certain cases.
Jurisdiction.

Offences to be cognizable and non-bailable.

Application of Code of Criminal Procedure, 1898 (Act V of 1898) to proceedings before
courts.

Appeal to High Court.

Appointment of investigating officers and their powers.

Assistance to authorities.

Agreements with foreign countries.

Letter of request to a contracting State etc.

Assistance to a contracting State in certain cases.

Reciprocal arrangements for processes and assistance for transfer of accused persons.

Attachment, seizure and forfeiture etc., of property in a contracting State or Pakistan.

Procedure in respect of letter of request.

Punishment for vexatious survey and search.

Liability for failure to file [STR] and for providing false information.

Disclosure of information.

Bar of jurisdiction.

Notices, etc., not to be invalid on certain grounds.

Offences by legal persons.

Continuity of proceedings in the event of death or insolvency.

Act to have overriding effect.

Members etc., to be public servants.

Act not to apply to fiscal offences.

Power to amend the Schedule.

Page 2 of 44

43.
44.
45.
46.

Power to make rules.

Power to make regulations.

Power to remove difficulties.

Validation of actions, etc.

1- Schedule — I
2- Schedule - II
3- Schedule - III
4- Schedule - IV

SCHEDULES

Page 3 of 44

ANTI-MONEY LAUNDERING ACT, 2010

(ACT No. VII OF 2010)

[27 March, 2010]

An Act to provide for prevention of money laundering

WHEREAS, it is expedient to provide for prevention of money laundering, combating financing of terrorism and forfeiture of property derived from, or involved in, money laundering or financing of terrorism and for matters connected therewith or incidental thereto;

It is hereby enacted as follows: —

1. Short title, extent and commencement.—(1) This Act may be called the Anti-Money Laundering Act, 2010.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

112. 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 TA;

¹ Subs. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 2.

(vii)

(viii)

(ix)

(x)

(xi)

(xii)

“company” means any body corporate and includes a firm or other association of individuals;

“competent authorities” means the regulators, oversight bodies for SRBs, the Financial Monitoring Unit and the investigating or prosecuting agencies as defined in this Act;

“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;

“Court” means the Court specified under section 20;

“CTR” means report on currency transactions exceeding such amount as may be specified by the National Executive Committee by notification in the official Gazette;

“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 carryout monetary transactions for their clients concerning the following activities: —

(D managing, operating, buying and selling of real estate, legal persons and legal arrangements and. preparing, documents therefor;

(11) = managing of client money, securities or other assets;
(U1) 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:—

(xiii)

(xiv)

(e)

(d) acting as a formation agent of legal persons;

(11) 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;

(UD 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

such other designated non-financial businesses and professions as may be notified by the Federal Government;

“Director General” means the Director General of FMU appointed under subsection (3) of section 6;

“financial institution” includes any person carrying on any one or more of the following activities, namely:—

(a)
(b)
(c)
(d)
(e)

(f)
(g)

acceptance of deposits and other repayable funds from the public; lending in whatsoever form;

financial leasing;

money or value transfer;

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;

financial guarantees and commitments; and

trading in :—

- (i) money market instruments;
- (ii) foreign exchange;
- (iii) | exchange, interest rate and index instruments;
- (iv) transferable securities;

Page 6 of 44

(xv)

(xvi)

(xvii)

(xviii)

(xix)

(xx)

(xxi)

(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;

“FMU” means the Financial Monitoring Unit established under section 6;

“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;

“investigating officer” means the officer nominated or appointed under section 24;

“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;

“legal arrangements” means trusts, waqfs or other similar legal arrangements as may be defined in any other law;

“legal person” means companies, associations, foundations, partnerships, societies and any other legal person as may be defined in any other law;

“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 SRP" 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 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;

(xxxi) "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 I 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;

(xxxvili) "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;

(xli)

(xli)

(xlvi)

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

"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

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

3. Offence of money laundering.—A person shall be guilty of offence of money laundering,

if the person:-

(a)

(b)

(d)

acquires, converts, possesses, uses or transfers property, knowing or having reason to believe that such property is proceeds of crime;

conceals or disguises the true nature, origin, location, disposition, movement or ownership of property, knowing or having reason to believe that such property is proceeds of crime;

holds or possesses on behalf of any other person any property knowing or having reason to believe that such property is proceeds of crime; or

participates in, associates, conspires to commit, attempts to commit, aids, abets, facilitates, or counsels the commission of the acts specified in clauses

(a), (b) and (c).

Explanation'[-I]— The knowledge, intent or purpose required as an element of an offence set forth in this section may be inferred from factual circumstances in accordance with the Qanun-e-Shahadat, 1984 (P.O.10 of 1984).

[Explanation-II.—For the purpose of proving an offence under this section, the conviction

of an accused for the respective predicate offence shall not be required. |

'Subs. and added by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 3.

"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 up to ten years and shall also be liable to fine which may extend up to 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).]

2[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 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 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;

'Subs. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 3.

*Subs. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 4.

(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-II.

(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;

(f)

(g)

(h)

(9)

approve FMU's staffing requirements, pay, allowances, privileges and compensation packages and other matters incidental thereto;

provide necessary assistance to the National Executive Committee in carrying out its functions and duties under this Act;

discuss any other issue of national importance relating to money laundering and terrorist financing; and

undertake and perform such other functions as assigned or delegated to it by the National Executive Committee.

The General Committee may constitute one or more sub-committees to

perform such functions as it may deem fit.]

116. 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)

(b)

(c)

(d)

to receive STRs and CTRs from reporting entities as may be necessary to accomplish the objectives of this Act;

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;

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;

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;

¹ Subs. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 5.

(f)

(g)

(h)

(i)

G)

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;

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;

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;

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;

to enter into arrangements with domestic agencies, authorities, or any reporting entity of 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

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.]

116A. 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)
(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

G)

licensing or registration of reporting entities;

imposing any conditions to conduct any activities by reporting entities to prevent the offence of money laundering, predicate offence or financing of terrorism;

issuing regulations, directions and guidelines with respect to sections 7A to 7H;

issuing regulations, directions and guidelines with respect to financing of proliferation obligations;

providing feedback to reporting entities for the purpose of compliance with the requirements of sections 7A to 7H and as prescribed thereunder;

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;

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;

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;

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

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)
- (b)

make regulations for the SRB with respect to the provisions of this Act;

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. Procedure and manner of furnishing information by '****] reporting entities. —'[1) Every reporting entity shall file with the FMU, to the extent and in the manner prescribed by the FMU, 7[STRs] conducted or attempted by, at or through such reporting entity, if it knows, suspects or has reason to suspect that the transaction or a pattern of transactions of which the transaction is a part,—

(a) involves funds derived from illegal activities or is intended or conducted in order to hide or disguise proceeds of crime;

(b) is designed to evade any requirements of this [Act];

(c) has no apparent lawful purpose after examining the available facts, including the background and possible purpose of the transaction; or

(d) involves financing of terrorism, including funds collected, provided, used or meant for, or otherwise linked or related to, terrorism, terrorist acts or organizations and individuals concerned with terrorism:

Provided that *[STRs] shall be filed by the reporting entity with the FMU “[promptly].”

(2) Any [*] government agency, autonomous body, *[oversight body for SRB, AML/CFT'][,] regulatory authority[, domestic or foreign,] may share intelligence or report their suspicions within the meaning of *[STRs] or CTR to FMU in normal course of their business and the protection provided under section 12 shall be available to such agency, body or authority.

(3) All CTRs shall, to the extent and in the manner prescribed by the FMU, be filed by the 1P***] reporting entities with the FMU immediately, but not later than seven working days, after the respective currency transaction.

(4) Every reporting entity shall keep and maintain all record related to 2/STRs] and CTRs filed by it for a period of at least [ten] years after reporting of '[transaction] under sub-sections (1), (2) and (3).

(5) The provisions of this section shall have effect notwithstanding any obligation as to secrecy or other restriction on the disclosure of information imposed by any other law or written document.

(6) Notwithstanding anything contained in any other law for the time being in force, any °[STRs] required to be submitted by any person or entity to any investigating or prosecuting agency shall, on the commencement of this Act, be solely and exclusively submitted to FMU to the exclusion of all others.

'Omit., subs. and inser. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 7.

*Subs. and omit. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 7.

*Susb. by Anti-Money Laundering (Amendment) Act, 2020 (Act No. XI of 2020), s. 4.

"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.

Ins. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 8.

(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.

71. 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.]

8. Attachment of property involved in money laundering.— (1) [An] investigating officer may, on the basis of the report in his possession received from the concerned investigating [or prosecuting] agency, by order in writing, with prior permission of the Court, provisionally attach [Ta] property, which he reasonably believes to be [the property] involved in money laundering for a period not exceeding *[one hundred and eighty] days from the date of the order":]

*[Provided that the Court may grant further extension for a period up to one hundred and eighty days.]

(2) The investigating officer shall within forty-eight hours immediately after attachment under sub-section (1), forward a copy of the order, *[and the report] referred to in that sub-section, to the head of the concerned investigating agency, in a sealed envelope *["].

lins. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 8.

?Subs. and added by Anti-Money Laundering (Amendment) Act, 2020 (Act No. XI of 2020), s. 5.

Subs. And omitted by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), Ss. 8.

(3) Every order of attachment made under sub-section (1) shall cease to have effect after the expiry of the period specified in that sub-section or on the date of the finding made under sub-section (2) of section 9 whichever is earlier.

(4) Nothing in this section shall prevent the person interested in the enjoyment of the immovable property attached under sub-section (1) from such enjoyment.

Explanation.— For the purposes of this sub-section, “person interested”, in relation to any immovable property, includes all persons claiming or entitled to claim any interest in the property.

(5) The investigating officer who provisionally attaches any property under sub-section (1) shall, [submit to the Court monthly report on the progress made in the investigation.]

9. Investigation. — (1) The investigating officer shall, not later than seven days from the date of order of attachment made under sub-section (1) of section 8 or, seizure of property under section 14 or section 15, serve a notice of not less than thirty days on the person concerned. The notice shall call upon such person to indicate the sources of his income, earning or assets, out of which or by means of which he has acquired the property attached under sub-section (1) of section 8, or, seized under section 14 or section 15, the evidence on which he relies and other relevant information and particulars, and to show cause why all or any of such properties should not be declared to be the properties involved in money laundering and forfeited to the Federal Government:

Provided that where a notice under this sub-section specifies any property as being held by a person on behalf of any other person, a copy of such notice shall also be served upon such other person:

Provided further that where such property is held jointly by more than one person, such notice shall be served upon all persons holding such property.

(2) The investigating officer shall, after—

- (a) considering the reply, if any, to the notice issued under sub-section (1);
- (b) hearing the aggrieved person; and
- (c) taking into account all relevant materials placed on record before him;

record a finding whether all or any other properties referred to in the notice issued under sub-section (1) are [properties] involved in money laundering:

Provided that if the property is claimed by a person, other than a person to whom the notice had been issued, such person shall also be given an opportunity of being heard to prove that the property is not 2[a property] involved in money laundering.

(3) Where the investigating officer on the basis of report received from the concerned investigating agency determines under sub-section (2) that ?[a] property is [the property] involved in money laundering, he shall apply to the Court for an order confirming the attachment of the property made under sub-section (1) of section 8 or retention of property or record seized under section 14 or section 15, 7[*****]

¹ Subs. and ins.. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), Ss. 8 and 9.

²Inser., subs. and omitted by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 9.

'clause (a) and (b) *****#*]

11(3A) The Court may, after giving opportunity of hearing to the persons concerned with the property attached under sub-section (1) of section 8 or retained or seized under section 14 or section 15, pass an order confirming the attachment, retention, seizure or, as the case may be, release of the property. The attachment or retention or seizure of the property shall—

(a) continue during the pendency of the proceedings relating to any predicate offence or money laundering before a Court; and

(b) become final if it is proved in the Court that the property is the property involved in money laundering. }

(4) Where the provisional order of attachment made under sub-section (1) of section 8 has been confirmed under sub-section 3 '[A], the investigating officer shall forthwith take possession of the attached property:

Provided that where the property seized is perishable in nature or subject to speedy and natural decay, or when the expense of keeping it in custody is likely to exceed its value, the Court may, on the application of the investigating officer, order immediate sale of the property in any manner deemed appropriate in the circumstances.

(5) Where on conclusion of a trial for any predicate offence *[and] money laundering, the person concerned is acquitted, the attachment of the property or retention '[or seizure of the] property or record under sub-section 3'[A] and net income, if any, shall cease to have effect.

(6) Where the attachment of any property or retention | [or seizure of the] property or record becomes final under clause (b) of sub-section 3'[A], the Court shall,***** make an order for forfeiture of such property.

(7) After passing the order of forfeiture under sub-section (6).!***, the Court '[shall] direct the release of all properties other than the properties involved in money laundering to the persons from whom such properties were seized.

219A. 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.]

'Omitted, ins, subs and added by (amendment) Act, 2015(XXIII of 2015), s.9.

*Ins. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 9.

Subs. by Anti-Money Laundering Act (Amdt.) Act, 2020 (XI of 2020), s.6.

10. Vesting of property in Federal Government.—where an order of forfeiture has been made under sub-section (6) of section 9 in respect of any property of a person, all the rights and title in such property shall vest absolutely in the Federal Government free from all encumbrances:

Provided that where the Court, after giving an opportunity of being heard to any other person interested in the property attached under section 8, or seized under section 14, is of the opinion that any encumbrance on the property or leasehold interest has been created with a view to defeat the provisions of this Act, it may, by order, declare such encumbrance or leasehold interest to be void and thereupon the aforesaid property shall vest in the Federal Government free from such encumbrances or leasehold interest:

Provided further that nothing in this section shall operate to discharge any person from any liability in respect of such encumbrances, which may be '{legally] enforced against such person

11. Management of forfeited properties.—(1) The Federal Government may, by order published in the official Gazette, appoint as many trustees and receivers as it thinks fit to perform the functions of an Administrator.

(2) The Administrator appointed under sub-section (1) shall receive and manage the property in relation to which an order has been made under sub-section (6) of section 9 in such manner and subject to such conditions as may be prescribed.

(3) The Administrator shall also take such measures, as the Federal Government may direct, to dispose of the property which is vested in the Federal Government under section 10:

Provided that, where the property seized is perishable in nature or subject to speedy and natural decay, or when the expense of keeping it in custody is likely to exceed its value, the Administrator may sell it at once after reasonable notice to the Federal Government.

2[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.]

13. Power of Survey.—(I) Notwithstanding anything contained in any other provisions of this Act, where an investigating officer, on the basis of material in his possession, has reasons to believe that an offence of money laundering has been committed, he may, with the permission of the Court, enter any place, —

'Inser. and omitted by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 10.

*Subs. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 10.

(a) within the limits of the area assigned to him; or

(b) in respect of which he is authorized for the purposes of this section by such other authority who is assigned the area within which such place is situated,

at which any act constituting the commission of such offence is carried on, and may require any proprietor, employee or any other person who may at that time and place be attending in any manner to, or helping him in, such act so as to,

(i) afford him the necessary facility to inspect such record as he may require and which may be available at such place;

(ii) afford him the necessary facility to check or verify the proceeds of crimes or any transaction related to proceeds of crimes which may be found therein; and

(iii) furnish such information as he may require as to any matter which may be useful for, or relevant to, any proceedings under this Act.

Explanation.— For the purpose of this sub-section, a place, where an act which constitutes the commission of the offence is carried on, shall also include any other place, whether any activity

is carried on therein or not, in which the person carrying on such activity states that any of his records or any part of his property relating to such act are or is kept.

(2) The investigating officer referred to in sub-section (1), shall, after entering any place referred to in that sub-section and within forty-eight hours immediately after completion of survey, forward a copy of the report on survey '[***]', to the head of the concerned investigating '[or prosecuting] agency in a sealed envelope ![*****],

(3) The investigating officer acting under this section may, —

(a) place marks of identification on the records inspected by him and make or cause to be made extracts or copies therefrom;

(b) make an inventory of any property checked or verified by him; and

(c) record the statement of any person present in the place which may be useful for or relevant to any proceeding under this Act.

14. Search and seizure.—[(1) Subject to sub-section (2), where the investigating officer, on the basis of information in his possession, has reason to believe that any person—

(a) has committed any act which constitutes money-laundering;

(b) is in possession of any property involved in money-laundering; or

'Omitted and ins. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 11.

*Subs. and added by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 12.

(c) is in possession of any record which may be useful for or relevant to proceedings under this Act, he may either himself, or authorize any officer subordinate to him to,—

(i) enter and search any building, place, vessel, vehicle or aircraft where he has reason to suspect that such record or properties are kept;

(ii) break open the lock of any door, box, locker, safe, almirah or other receptacles for exercising the powers conferred by sub-clause (i) where the keys thereof are not available;

(iii) seize any such record or property found as a result of such search;

(iv) place marks of identification on such record or make, or cause to be made, extracts or copies therefrom;

(v) make a note or any inventory of such record property; and

(vi) [examine any person, who is found to be in possession or control of any such record or property, in respect of all matters relevant for the purposes of any investigation under this Act.]

(2) The powers to search under sub-section (1) shall be exercisable by the investigating officer with the prior permission of the Court![:]

'Provided that where immediate action is required, the powers of search and seizure shall be exercisable with prior permission of senior officer of the concerned investigating or prosecuting agency not below the rank of an officer of BS-20.]

(3) The investigating officer shall, within forty-eight hours immediately after search and seizure, forward a copy of the report on search and seizure '[*****] to the head of the concerned investigating [or prosecuting] agency in a sealed envelope ![*****].

(4) Where the investigating officer, upon information obtained during survey under section 13, is satisfied that any evidence shall be or is likely to be concealed or tampered with, he may, for reasons to be recorded, in writing, enter and search the building or place where such evidence is located and seize that evidence.

15. Search of persons.— (1) If an investigating officer, has reason to believe (the reason for such belief to be recorded in writing) that any person has secreted about the person or anything under his possession, ownership or control, any record or ![property] which may be useful for or relevant to any proceedings under this Act, he may '[*****] search that person and seize such record or property which may be useful for or relevant to any proceedings under this Act.

(2) The investigating officer shall, within forty-eight hours immediately after search and seizure, forward a copy of the report on search and seizure '[*****] to the head of the concerned investigating [or prosecuting] agency in a sealed envelope ![*****],

'Omitted, ins, added and subs. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015)

'[(3)(4) and (sy)

(6) No female shall be searched by anyone except a female.

(7) The investigating officer shall record the statement of the person searched under sub-section (1) '*** in respect of the records or '[property involved in money laundering and] found or seized in the course of the search.

"116. lalallala

17. Retention of property—(1) Where any property has been seized under section 14 or section 15 and the investigating officer has, on the basis of material in his possession, reason to believe that such property is required to be retained for the purposes of investigation under section 9 such property may be retained for a period not exceeding ninety days from the time such property was seized:

Provided that the investigating officer shall duly inform the Court about any peculiar nature of the seized property and, where necessary, seek appropriate directions for its proper care during retention.

(2) The investigating officer, immediately after he has passed an order for retention of property for purposes of investigation under section 9, shall forward a copy of the order 2[*****] to the head of the concerned investigating [or prosecuting] agency, in a sealed envelope 3[*****].

(3) On the expiry of the period specified under sub-section (1), the property shall be returned to the person from whom such property was seized unless the Court permits retention of such property beyond the said period.

(4) The Court, before authorizing the retention of such property beyond the period specified in sub-section (1), shall satisfy itself that the property is *prima facie* *[property] involved in money laundering and the property is required for the purposes of investigation under section 9.

18. Retention of records.—(1) Where any record has been seized under section 14 or section 15 and the investigating officer has reason to believe that any of such records are required to be retained for an *[investigation] under this Act, he may retain such records for a period not exceeding ninety days from the time the record was seized.

(2) The person, from whom records were seized, shall be entitled to obtain copies of records retained under sub-section (1).

'Omitted, inser. and subs. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s.1

*S. 16 omitted by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 11. Omitted, subs. and inser. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), Ss.

(3) On the expiry of the period specified under sub-section (1), the records shall be returned to the person from whom such records were seized unless the Court permits retention of such records beyond the said period.

(4) The Court before authorizing the retention of such records beyond the period mentioned in sub-section (1) shall satisfy itself that the records were required for the purposes of investigation under section 9.

19. Presumption as to records or property in certain cases.— Where any document of public record is found in the possession or control of any person in the course of a survey or a search [under this Act] or where any records have been received from any place outside Pakistan duly authenticated by such authority or person and in such manner as may be prescribed in the course of proceedings under this Act, the Court or the investigating [or prosecuting] agency as the case may be, shall—

(a) presume, that the signature and every other part of such record which purports to be in the handwriting of any particular person or which the Court may reasonably assume to have been signed, by or to be in the hand writing of, any particular person, is in that person's hand writing; and in the case of a record executed or attested, that it was executed or attested by the person by whom it purports to have so executed or attested; and

(b) admit the document in evidence, notwithstanding that it is not duly stamped, if such document is otherwise admissible in evidence.

20. Jurisdiction—(1) The Court of Session established under the Code of Criminal Procedure, 1898 (V of 1898) shall, within its territorial jurisdiction, exercise jurisdiction to try and adjudicate the offences punishable under this Act and all matters provided in, related to or arising from this Act:

Provided, —

(a) where the predicate offence is triable by any court other than the Court of Session, the offence of money laundering and all matters connected therewith or incidental thereto shall be tried by the Court trying the predicate offence; and

(b) where the predicate offence is triable by any 7[court] inferior to the Court of Session, such predicate offence, the offence money laundering and all matters connected therewith or incidental thereto shall be tried by the Court of Session.

21. Offences to be [cognizable] and non-bailable—(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act V of 1898) and subject to sub-sections (2) and (3),—

(a) every offence punishable under this Act shall be *[cognizable] and non bailable;

'Omitted, subs. and inser. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s.1
?Subs. and inser. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), Ss. 17 and
3Subs. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 12.

(b) no person accused of an offence punishable under this Act for a term of imprisonment of more than three years shall be released on bail or on his own bond unless—

(i) the Public Prosecutor has been given due notice; and

(ii) where the Public Prosecutor opposes the application, the Court is satisfied that there are reasonable grounds for believing that he is not guilty of such offence and that he is not likely to commit any offence while on bail.

(2) The Court shall not take cognizance of any offence punishable under section 4 except upon a complaint in writing made by,—

(a) the investigating officer; or

(b) any officer of the Federal Government or a Provincial Government authorized in writing in this behalf by the Federal Government by a general or special order made in this behalf by that Government:

Provided that where the person accused is a '[reporting entity]', the investigating officer or any other authorized officer, as the case may be shall, before filing such complaint, seek the approval of the concerned '[AML/CFT regulatory authority]' which shall not withhold its decision for a period exceeding sixty days.

(3) The Court shall not take cognizance of any offence punishable under sub-section (1) of section 33 except upon a complaint in writing made by the FMU 'for investigating or prosecuting agency].

(4) The power and discretion on granting of bail specified in clause (b) of sub-section (1) are in addition to the power and discretion under the Code of Criminal Procedure, 1898 (Act V of 1898), or any other law for the time being in force on granting of bail.

22. Application of Code of Criminal Procedure, 1898 (Act V of 1898) to proceedings before Courts.—(1) The provisions of the Code of Criminal Procedure, 1898 (Act V of 1898) shall, in so far as they are not inconsistent with the provisions of this Act, apply to arrest, bail, bonds, search, seizure, attachment, forfeiture, confiscation, investigation, prosecution and all other proceedings under this Act.

(2) The Federal Government may appoint a person who is an advocate of a High Court to be a Public Prosecutor on such terms and conditions as may be determined by it and any person so appointed shall be competent to conduct proceedings under this Act before a Court and, if so directed by the Federal Government, to withdraw such proceedings:

Provided that a person shall not be qualified to be appointed as a Public Prosecutor under this section unless he has been in practice as an Advocate for not less than seven years in the High Court[:]

¹ Subs. and added by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. Subs. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 19.

'Provided that an advocate who has been appointed as prosecutor by the investigating or prosecuting agencies shall be qualified to be appointed as Public Prosecutor under this section notwithstanding the requirements of the first proviso.]

(3) Every person appointed as a Public Prosecutor under this section shall be deemed to be a Public Prosecutor within the meaning of clause (t) of sub-section (1) of section 4 of the Code of Criminal Procedure, 1898 (Act V of 1898), and the provisions of that Code shall have effect accordingly.

(4) When a Prosecutor appointed under sub-section (1), is, for any reason, temporarily unable to conduct proceedings before the Court, the proceedings shall be conducted by such person as may be authorized in this behalf by the Court.

23. Appeal to High Court.—Any person aggrieved by [*] final decision or order of the Court may prefer an appeal to the High Court within sixty days from the date of communication of the decision or order on any question of law or fact arising out of such decision or order:

Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be submitted within a further period not exceeding sixty days.

Explanation. — For the purposes of this section, "High Court" means, —

(a) the High Court within the jurisdiction of which the aggrieved party ordinarily resides or carries on business or personally works for gain; and

(b) where the Federal Government is the aggrieved party, the High Court within the jurisdiction of which the respondent, or in a case where there are more than one respondent, any of the respondents, ordinarily resides or carries on business or personally works for gain.

24. Appointment of investigating officers and their powers.—(1) The investigating [or prosecuting] agencies [*****] may nominate such persons as they think fit to be the investigating officers under this Act from amongst their officers.

(2) The Federal Government may, by special or general order, empower an officer not below BPS-18 of the Federal Government or of a Provincial Government to act as an investigating officer under this Act.

(3) Where any person other than a Federal or Provincial Government Officer is appointed as an investigating officer, the Federal Government shall also determine the terms and conditions of his appointment.

(4) Subject to such conditions and limitations as the Federal Government may impose, an investigating officer may exercise the powers and discharge the duties conferred or imposed on him under this Act.

'Added, omitted and inser. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), Ss

1125. 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 of 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.]

26. Agreements with foreign countries.—(1) The Federal Government may enter into an agreement on reciprocal basis with the Government of any country outside Pakistan for—

(a) *[the investigation and prosecution of any offence under this Act or under the corresponding law in force in that country];

(b) exchange of information for the prevention of any offence under this Act or under the corresponding law in force in that country;

(c) seeking or providing of assistance or evidence in respect of any offence under this Act or under the corresponding law in force in that country; and

(d) transfer of property relating to any offence under this Act or under the corresponding law in force in that country.

(2) The agreement in terms of sub-section (1) shall be subject to such conditions, exceptions or qualifications as may be specified in the said agreement:

Provided that the agreement shall not be enforceable if it may, in any manner, be prejudicial to the sovereignty, security, national interest or public order.

(3) In this section and the succeeding sections, unless the context otherwise requires,-

(a) the expression “contracting State” means any country or place outside Pakistan in respect of which arrangements have been made by the Federal Government with the Government of such country through a treaty or otherwise;

(b) the expression “identifying” includes establishment of a proof that the property was derived from, or used in, the commission of an offence under section 3; and

'Subs. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 13.

*Subs. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 23.

(c) "Tracing" means determining the nature, source, disposition, movement, title or ownership of property.

27. Letter of request to a contracting State etc.— (1) Notwithstanding anything contained in this Act or the Code of Criminal Procedure, 1898 (Act V of 1898), if, in the course of an investigation into an offence or other proceedings under this Act, the investigating officer or any officer superior in rank to the investigating officer believes that any evidence is required in connection with investigation into an offence or proceedings under this Act and he is of opinion that such evidence may be available in any place in the contracting State, he may, with the prior permission of the head of that investigation agency, issue a letter of request to a court or an authority in the contracting State competent to deal with such request to—

(a) examine facts and circumstances of the case; and
(b) take such steps as he may specify in such letter of request.

(2) The letter of request shall be transmitted in such manner as the Federal Government may specify in this behalf.

(3) Every statement recorded or document or thing received under sub-section (1) shall be deemed to be the evidence collected during the course of investigation.

28. Assistance to a contracting State in certain cases.— Where a letter of request is received by the Federal Government from a court or authority in a contracting State requesting for investigation into an offence or proceedings under this Act or under the corresponding law in force in that country, the Federal Government may forward such letter of request to the Court or to the authorized officer or any authority under this Act as it thinks fit for execution of such request in accordance with the provisions of this Act or, in the manner sought by the contracting State so long as doing so would not violate laws of Pakistan or is, in any manner, not prejudicial to the sovereignty, security, national interest or public order.

29. Reciprocal arrangements for processes and assistance for transfer of accused persons.—(1) Where a Court, in relation to the offence of money laundering, desires that—

(a) a summons to an accused person;
(b) a warrant for the arrest of an accused person;
(c) a summons to any person requiring him to attend and produce a document or other thing or to produce it; or
(d) a search warrant,
issued by it shall be served or executed at any place in any contracting State, it shall send such summons or warrant in duplicate in such form, to such court, judge or magistrate through such authorities as the Federal Government may specify in this behalf and that court, judge or magistrate, as the case may be, shall cause the same to be executed.

(2) Where a Court, in relation to an offence punishable under section 4, has received for service or execution—

- (a) a summons to an accused person;
- (b) a warrant for the arrest of an accused person;

(c) a summons to any person requiring him to attend and produce a document or other thing, or to produce it; or

(d) a search warrant, issued by a court, judge or magistrate in a contracting State, it shall cause the same to be served or executed as if it were a summons or warrant received by it from another court in the said territories for service or execution within its local jurisdiction; and where—

(i) a warrant of arrest has been executed; the person arrested shall be dealt with in accordance with the procedure specified under section 16;

(ii) search warrant has been executed, the things found in this search shall, so far as possible, be dealt with in accordance the procedure specified under sections 14 and 15:

Provided that the provisions of this sub-section shall not have effect if the exercise of power hereunder is, in any manner, likely to prejudice the sovereignty, security, national interest or public order.

(3) Where a person transferred to a contracting State pursuant to sub-section (2) is a prisoner in Pakistan, the Court or the Federal Government may impose such conditions as that Court or Government deems fit.

(4) Where the person transferred to Pakistan pursuant to sub-section (1) is a prisoner in a contracting State, the Court in Pakistan shall ensure that the conditions subject to which the prisoner is transferred to Pakistan are complied with and such prisoner shall be kept in such custody subject to such conditions as the Federal Government may direct in writing.

30. Attachment, seizure and forfeiture etc., of property in a contracting State or Pakistan.— (1) Where the investigating officer has made an order for attachment of any property under section 8 or where the court has made an order confirming such attachment or forfeiture of any property under section 9 and such property is suspected to be in a contracting State, the Court on an application by the investigating officer, may issue a letter of request to a Court or an authority in the contracting State for execution of such order.

(2) Where a letter of request is received by the Federal Government from a court in a contracting State requesting attachment or forfeiture of the property in Pakistan derived or obtained, directly or indirectly, by any person from the commission of an offence under section 3 committed in that contracting State, the Federal Government may forward such letter of request to the investigating agency, as it thinks fit, for execution in accordance with the provisions of this Act or permit execution of the request in the manner sought by the contracting State so long as doing so would not violate Laws of Pakistan or is, in any manner, not prejudicial to the sovereignty, security, national interest or public order.

(3) The Federal Government may, on receipt of a letter of request under section 27 or section 28, direct any investigating agency under this Act to take all steps necessary for tracing and identifying such property.

(4) The steps referred to in sub-section (3) may include any inquiry, investigation or survey in respect of any person, place, property, assets, documents, books of accounts in any '[reporting entity] or any other relevant matters.

(5) Any inquiry, investigation or survey referred to in sub-section (4) shall be carried out by an agency mentioned in sub-section (3) in accordance with such directions issued in accordance with the provisions of this Act.

(6) The provisions of this Act relating to attachment, adjudication, forfeiture vesting of property in the Federal Government, survey, search and seizures shall apply to the property in respect of which letter of request is received from a court or contracting State for attachment or forfeiture of property.

31. Procedure in respect of letter of request.— Every letter of request, summons or warrant, received by the Federal Government from, and every letter of request, summons or warrant, to be transmitted to a contracting State under this Act shall be transmitted to a contracting State or, as the case may be, sent to the concerned Court in Pakistan in such form and in such manner as the Federal Government may specify in this behalf.

32. Punishment for vexatious survey and search.—Any investigating officer exercising powers under this Act or any rules made hereunder, who, without prior permission from the Court,

(a) surveys or searches, or causes to be surveyed or searched, any building or place; or

(b) detains or searches or arrests any person,

shall for every such offence be liable on conviction for imprisonment for a term which may extend to two years or fine which may extend to fifty thousand rupees or both.

33. Liability for failure to file '[STR] and for providing false information.—(1) Whoever willfully fails to comply with the '[STR] requirement as provided in section 7 or gives false information shall be liable for imprisonment for a term which may extend to *[five] years or with fine which may extend to [five] hundred thousand rupees or both.

'Subs. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 15.
?Subs. by Anti-Money Laundering (Amendment) Act, 2020 (Act No. XI of 2020), s. 7.

(2) In the case of the conviction of a reporting entity, the concerned [AML/CFT regulatory authority] may also revoke its license or registration or take such other administrative action as it may deem appropriate.

34. Disclosure of information.—[(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.]

(2) A violation of the sub-section (1) is a criminal offence and shall be punishable by a maximum term of 7[five] years imprisonment or a fine which may extend to [two million] rupees or both.

(3) Any confidential information furnished by a [reporting entities], or any other person under or pursuant to the provisions of this Act, shall >[****] be kept confidential by the FMU, investigation agency or officer as the case may be.

35. Bar of jurisdiction.— (1) No suit shall be brought in any Court to set aside or modify any proceeding taken or order made under this Act and no prosecution, suit or other proceedings shall lie against the Federal Government, or any officer of the Government, or FMU, its officers or any agency controlled or supervised by the Government, or members of the National Executive Committee or General Committee, for anything done or intended to be done in good faith under this Act.

(2) No Court shall have jurisdiction to entertain any suit or proceedings in respect of any matter which the investigating officer and Committee or the Court is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

36. Notices, etc. not to be invalid on certain grounds.— No notice, summons, order, document or other proceeding, furnished or made or issued or taken or purported to have been furnished or made or issued or taken in pursuance of any of the provisions of this Act shall be invalid, or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such notice, summons, order, documents or other proceedings if such notice, summons, order, document or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Act.

4[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.

'Subs. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), Ss. 15 and 16.
?Subs. by Anti-Money Laundering (Amendment) Act, 2020 (Act No. XI of 2020), s. 8.

3Omitted by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 24.

4Subs. by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 17.

(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.]

38. Continuity of proceedings in the event of death or insolvency.—(1) Where,—

(a)

(b)

(2) Where,—

(a)

(b)

any property of a person has been attached under this Act and no representation against the order attaching such property has been preferred; or

any representation has been preferred to the Court, and

(i)

(ai)

(iii)

in a case referred to in clause (a) such person dies or is adjudicated as insolvent before preferring representation to the Court; or

in a case referred to in clause (b), such person dies or is adjudicated as insolvent during the pendency of representation,

then it shall be lawful for the legal representatives of such person or the official assignee or the official receiver, as the case may be, to prefer representation to the Court, or as the case may be to continue the representation before the Court, in the place of such person.

after passing of a decision or order by the Court, no appeal has been preferred to the High Court under section 23; or

any such appeal has been preferred to the High Court, then—

(i)

(ai)

in a case referred to in clause (a), the person entitled to file the appeal dies or is adjudicated an insolvent before preferring an appeal to the

High Court, or

in a case referred to in clause (b), the person who had prepared appeal dies or is adjudicated as insolvent during the pendency of the appeal before the High Court,

then, it shall be lawful for the legal representatives of such person, or the official assignee or the official receiver, as the case may be, to prefer an appeal to the High Court or to continue the appeal before the High Court in place of such person and the provision of section 23 shall, so far as may be, apply, or continue to apply, to such appeal.

(3) The powers of the official assignee or the official receiver under sub-section (1) or sub-section (2) shall be exercised by him subject to the provisions of the Insolvency (Karachi Division) Act, 1909 (II of 1909) or the Provincial Insolvency Act, 1920 (V of 1920) as the case may be.

39. Act to have overriding effect.—(1) Subject to sub-section (2), the provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.

(2) The provisions of this Act shall be in addition to, and not in derogation of, the Anti-Narcotics Force Act, 1997 (III of 1997), the Control of Narcotic Substances Act, 1997 (XXV of 1997), the Anti-Terrorism Act, 1997 (XXVII of 1997) and the National Accountability Ordinance, 1999 (XVIII of 1999) [and any other law relating to predicate offences].

40. Members etc., to be public servants.—The Director General, Members of the National Executive Committee and General Committee, and other officers and employees of the FMU, investigating officer and the subordinate officers to him shall be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code, 1860 (Act XLV of 1860).

*[41. Act not to apply to fiscal offences.—(1) Except with prior consultation of FMU, an investigating or prosecuting agency shall not charge any person with the offence of money laundering in relation to a predicate offence punishable under the Sales Tax Act, 1990 (VII of 1990) and the Federal Excise Act, 2005.

(2) In relation to the laws specified in sub-section (1), no offence other than the following shall be notified as predicate offence, namely:—

(a) sub-sections 11 and 13 of section 33 read with clause (37) of section 2 of the Sales Tax Act, 1990; and

(b) sub-section (3) of section 19 of the Federal Excise Act, 2005.]

42. Power to amend the Schedule.—The Federal Government may, by notification in the official Gazette, amend the Schedule to this Act so as to add any entry thereto or modify or omit any entry therein.

43. Power to make rules.—The Federal Government may in consultation with the National Executive Committee and by notification in the official Gazette, make rules for carrying out the purposes of this Act.

44. Power to make regulations.—Subject to the supervision and control of the National Executive Committee, FMU may, by notification in the official Gazette, make such regulations as may be necessary for carrying out the purposes of this Act.

¹Inser. by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 26.

?Subs., inser. and omitted by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), Ss.

45. Power to remove difficulties.—If any difficulty arises in giving effect to the provisions of this Act, the Federal Government may, by order, published in the official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty.

46. Validation of actions, etc.— Anything done, actions taken, orders passed, instruments made, notifications issued, agreements made, proceedings initiated, processes or communication issued, powers conferred, assumed or exercised, by the [Federal Government], Financial Monitoring Unit [*] or its officers on or after the 5th January, 2008 and before the commencement of this Act, shall be deemed to have been validly done, made, issued, taken, initiated, conferred, assumed, and exercised and provisions of the Act shall have, and shall be deemed always to have had, effect accordingly.

SCHEDULE ?[-I]

[see section 2(xxvi)]

Section I: The Pakistan Penal Code 1860 (Act XLV of 1860)

109. Punishment of abetment if the act abetted is committed in consequence and where no express provision is made for its punishment.

111. Liability of abettor when one act abetted and different act done.

112. Abettor when liable to cumulative punishment for act abetted and for act done.

113. Liability of abettor for an effect caused by the act abetted different from that intended by the abettor.

115. Abetment of offence punishable with death or imprisonment for life, if offence not committed, if act causing harm be done in consequence.

116. Abetment of offence punishable with imprisonment, if offence be not committed.

117. Abetting commission of offence by the public or by more than ten persons.

118. Concealing design to commit offence punishable with death or imprisonment for life, if offence be committed; if offence be not committed.

119. Public servant concealing design to commit offence which it is his duty to prevent.

120. Concealing design to commit offence punishable with imprisonment.

¹Inser. and omitted by Anti-Money Laundering (Amendment) Act, 2015 (Act No. XXIII of 2015), s. 28.

120B. Punishment for criminal conspiracy.

- 121. Waging or attempting to wage war or abetting of war against Pakistan.
- 121A. Conspiracy to commit offence punishable by section 121.
- 122. Collecting arms, etc. with intention of waging war against Pakistan.
- 161. Public servant taking gratification other than legal remuneration in respect of an official act.
- 162. Taking gratification, in order, by corrupt or illegal means, to influence public servant.
- 163. Taking gratification for exercise of personal influence with public servant.
- 164. Punishment for abetment by public servant of offences defined in sections 162 or 163.
- 165. Public servant obtaining valuable thing, without consideration from person concerned in proceeding or business transacted. by such public servant.
- 165A. Punishment for abetment of offences defined in sections 161.
- 302. Punishment for Qatl-e-amd.
- 316. Punishment for QatlShibh-i-amd.
- 327. Punishment.
 - [336A. Hurt caused by corrosive substance.
 - 337(2)(e) and (f) (e) shajjah-i-ammah and
 - (f) Shajjah-i-damighah.
 - 337(3)(v) and (vi) (v) Causing fracture of the skull of the victim so that the wound touches the membrane of the brain;
 - (vi) by causing fracture of the skull of the victim and the wound ruptures the membrane of the brain.]
- 337K. Causing hurt to extort confession or to compel restoration of property.
- 343. Wrongful confinement for three or more days.
- 344. Wrongful confinement for ten or more days.

345. Wrongful confinement for person for whose liberation writ has been issued.

346. Wrongful confinement in secret.

347. Wrongful confinement to extort property or constrain to illegal act.

348. Wrongful confinement to extort confession or compel restoration of property.

363. Punishment for kidnapping.

364. Kidnapping or abducting in order to murder.

364A. Kidnapping or abducting a person under the age of fourteen

364A. Kidnapping or abducting with intent secretly or wrongfully to confine person

365A. Kidnapping or abducting for extorting property, valuable security etc

365B. Kidnapping, abducting or inducing woman to compel for marriage etc

366. Kidnapping, abducting or inducing woman to compel her marriage, etc.

366A. Procuration of minor girl

366B. Importation of girl from foreign country

367. Kidnapping or abducting in order to subject person to grievous hurt, slavery etc.

367A. Kidnapping or abducting in order to subject person to unnatural lust.

368. Wrongfully concealing or keeping in confinement, kidnapped or abducted person.

369. Kidnapping or abducting child less than ten years with intent to steal from its person.

370. Buying or disposing of any person as a slave.

371. Habitual dealing in slaves.

371A. Selling person for purposes of prostitution etc.

371B. Buying person for purposes of prostitution etc.

374. Unlawful compulsory labour.

376.

379.

380.

381.

381

382.

384.

385.

392.

395.

402.

Punishment of rape.

Punishment for theft.

Theft in dwelling house etc.

Theft by clerk or servant of property in possession of master.

A. Theft of a car or other motor vehicle.

Theft after preparation made for causing death, hurt or restraint, in order to the committing of the theft.

Punishment for extortion.

Putting person in fear of injury in order to commit extortion.

Punishment for robbery.

Punishment for dacoity.

Assembling for purpose of committing dacoity.

402B. Punishment for hijacking.

406.

421.

422.

423.

424.

Punishment for criminal breach of trust.

Dishonestly receiving stolen property.

Dishonestly receiving stolen property in the commission of a dacoity.

Habitually dealing in stolen property.

Assisting in concealment of stolen property.

. Punishment for cheating.

Dishonest or fraudulent removal or concealment of property to prevent distribution among creditors.

Dishonestly or fraudulently preventing debt being available for creditors.

Dishonest or fraudulent execution of fees of transfer containing false statement of consideration.

Dishonest or fraudulent removal or concealment of property.

Page 38 of 44

465.

467.

468.

471.

472

473

474.

475.

476.

477.

ATTA.

482.

483.

484.

485.

486.

487.

488.

489.

489A.

489B.

Punishment for forgery.

Forgery of valuable security, will, etc.

Forgery for the purpose of cheating.

Using as genuine a forged document.

Making or possessing counterfeit seal, etc. with intent to commit forgery punishable under section 467.

Making or possessing counterfeit seal, etc. with intent to commit forgery punishable otherwise.

Having possession of document described in section 466 or 467 knowing it to be

forged and intending to use it as genuine.

Counterfeit device or mark used for authenticating documents described in section 467, or possessing counterfeit marked material.

Counterfeit device or mark used for authenticating documents other than those described in section 467, or possessing counterfeit marked material.

Fraudulent cancellation, destruction, etc., of will, authority to adopt, or valuable security.

Falsification of accounts.

Punishment for using a false trade mark or property mark.

Counterfeiting a trade mark or property mark used by another.

Counterfeiting a mark used by a public servant.

Making or possession of any instrument for counterfeiting a trade mark or property mark.

Selling goods marked with a counterfeit trade mark or property mark.

Making a false mark upon any receptacle containing goods.

Punishment for making use of any such false mark.

Tampering with property mark with intent to cause injury.

Counterfeiting currency-notes or bank notes.

Using as genuine, forged or counterfeit currency-notes or bank notes.

489C. Possession of forged or counterfeit currency-notes or bank-notes.

489D. Making or possessing instruments or materials for forging or counterfeiting currency-notes or bank-notes.

489E. Making or using documents resembling currency-notes or bank-notes.

493A. Cohabitation caused by a man deceitfully inducing a belief of lawful marriage.

496A. Enticing or taking away or detaining with criminal intent a woman.

Section—II The Arms Act, 1878 (XI of 1878)

19. For breach of sections 5, 6, 10, 13 to 17.

20. For secret breaches of sections 5 to 10, 14 and 15

Section--III The Foreigners Act, 1946 (XXXI of 1946)

14. Penalties.

Section--IV The Copyright Ordinance, 1962 (XXXIV of 1962)

66. Offences of infringement of copyright or other rights conferred by this Act.

67. Possession of plates for purpose of making infringing copies.

68. Penalty for making false entries in the Register, etc. or producing or tendering false evidence.

69. Penalty for making false statements for the purpose of deceiving or influencing any authority or officer.

70. False attribution or authorship, etc.

Section--V The Pakistan Arms Ordinance, 1965 (W.P. Ordinance XX of 1965)

13. Penalty for breach of sections 4, 5, 8 to 11.

Section--VI The Securities and Exchange Ordinance, 1969 (XVII of 1969)

All offences under this Act prescribing minimum punishment for a period of over one year.

Section--VII_ The Emigration Ordinance, 1979 (XVIII of 1979)

Page 40 of 44

17.

18.

19.

22.

Section--VIII

11.

13.

15.

41.

42.

Unlawful immigration etc.

Fraudulently inducing to emigrate.

False representation of Government authority.

Receiving money etc. for providing foreign employment.

The Control of Narcotic Substances Act, 1997 (XXV of 1997)

Punishment for contravention of section 4.

Punishment for contravention of sections 6, 7 and 8.

Punishment for contravention of section 10.

Punishment for contravention of section 12.

Punishment for contravention of section 14.

Prohibition of alienation of freezed property.

Prohibition of acquiring property in relation to which proceedings have been taken under the Act.

Section--1X The Anti-Terrorism Act, 1997 (XXVII of 1997)

All offences under this Act prescribing minimum punishment for a period of over one year.

Section--X

National Accountability Ordinance, 1999 (XVIII of 1999)

Corruption and Corrupt Practices.

(b)
(c)
(d)
(e)
(f)
(g)
(h)

Gg)

2.

Committee.

ISCHEDULE-II

[see section 5(1)]

Members of National Executive Committee

The National Executive Committee shall comprise the following members:—

Minister for Finance or Adviser to the Prime Minister on Finance Chairman
Minister for Foreign Affairs Member
Minister for Law and Justice Member
Minister for Interior Member
Minister for Economic Affairs Member
Governor SBP Member
Chairman SECP Member
Director General, FMU Member/Secretary
Director General, FATF Cell Member
any other member on the special invitation of the National Executive Member Committee

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

'Added by Anti-Money Laundering (Second Amendment) Act, 2020 (Act No. XXX of 2020), s. 19.

2.

1.

(b)
(c)
(d)
(e)
(f)
(g)
(h)
0)
G)
(k)
(
(m)

SCHEDULE-III

[see section 5(5)]

Members of General Committee

The General Committee shall comprise the following members:—

Secretary Finance

Secretary Interior

Secretary Foreign Affairs

Secretary Law and Justice

Chairman National Accountability Bureau

Chairman Federal Board of Revenue

Director General, Federal Investigation

Director General, Anti Narcotics Force

Deputy Governor SBP

Commissioner SECP

Director General, FMU

Director General FATF Cell

Any other member on the special invitation of the
General Committee

Chairman
Member
Member
Member
Member
Member
Member
Member
Member
Member

Member

Member/Secretary

Member

Member

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

Page 43 of 44

Act:—

Act:—

SCHEDULE-IV

[see section 6A(1)]

AML/CFT Regulatory Authority

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

(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

(i) the Institute of Chartered Accountants 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;

'Gii) Pakistan Bar Council, Provincial Bar Councils, Islamabad Bar Council, for advocates, law firms and other independent legal professionals.]

(iv) any other SRB as may be notified by the Federal Government.]

'Subs. by S.R.O. 657 (1/2021