

SENATE OF PAKISTAN

REPORT NO.23 OF 2020



House of the Federation

**REPORT OF THE STANDING COMMITTEE ON FINANCE,
REVENUE AND ECONOMIC AFFAIRS**

ON

**THE ANTI-MONEY LAUNDERING (AMENDMENT) BILL, 2019,
AS PASSED BY THE NATIONAL ASSEMBLY,**

PRESENTED BY:

SENATOR FAROOQ HAMID NAEK

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE, AND ECONOMIC AFFAIRS ON THE ANTI-MONEY LAUNDERING (AMENDMENT) BILL, 2019

I, Senator Farooq Hamid Naek, Chairman, Standing Committee on Finance, Revenue and Economic Affairs, have the honour to present, on behalf of the Committee, this report on a Bill further to amend the Anti-Money Laundering Act, 2010, [The Anti-Money Laundering (Amendment) Bill, 2019], as passed by the National Assembly and referred by the House to the Committee on 1st January, 2020, for consideration and report.

2. The composition of the Standing Committee is given as under: -

(1)	Senator Farooq Hamid Naek	Chairman
(2)	Senator Syed Shibili Faraz	Member
(3)	Senator Ayesha Raza Farooq	Member
(4)	Senator Mushahid Ullah Khan	Member
(5)	Senator Musadik Masood Malik	Member
(6)	Senator Dilawar Khan	Member
(7)	Senator Muhammad Akram	Member
(8)	Senator Muhammad Talha Mahmood	Member
(9)	Senator Imam-ud-Din Shouqeen	Member
(10)	Senator Mohsin Aziz	Member
(11)	Senator Mian Muhammad Ateeq Shaikh	Member
(12)	Senator Anwar ul Haq Kakar	Member
(13)	Senator Sherry Rehman	Member
(14)	Advisor the Prime Minister for Finance and Revenue	Ex-Officio Member



3. The Committee considered the said Bill in its meetings held on 6th, 7th & 31st January, 2020, at Parliament House, Islamabad. The last meeting of the Committee was attended by the following:-

(1)	Senator Farooq Hamid Naek	Chairman
(2)	Senator Syed Shibili Faraz	Member
(3)	Senator Ayesha Raza Farooq	Member
(4)	Senator Dilawar Khan	Member
(5)	Senator Muhammad Talha Mahmood	Member
(6)	Senator Mushahid Ullah Khan	Member
(7)	Senator Mohsin Aziz	Member
(8)	Senator Anwar ul Haq Kakar	Member
(9)	Senator Sherry Rehman	Member

4. The Committee considered the Anti-Money Laundering (Amendment) Bill, 2019, clause by clause and proposed the following amendments in the said Bill:-

CLAUSE 5

- (I) that in Clause 5, in the proposed proviso, for the words "one year", the words "one hundred and eighty days", shall be substituted.

CLAUSE 7

- (II) that Clause 7 of the Bill, shall be omitted and the remaining Clauses (8) and (9) shall be renumbered as Clause (7) and Clause (8) respectively.

5. While discussing the proposed amendments in the Bill regarding offences to be cognizable and non-bail able, the Committee put the Clause 7, sub-clause (a) and (b) of the Bill for vote and rejected the said sub-clauses of Clause 7 by majority. In this regard, Senators Sherry Rehman, Ayesha Raza Farooq, Mushahid Ullah Khan, Muhammad Talha Mahmood, Dilawar Khan voted against the said sub-clauses of Clause 7, while Senators Syed Shibili Faraz, Mohsin Aziz, and Anwar-ul-Haq Kakar voted in favour of the said sub-clauses of Clause 7. **However, the Committee rejected the sub-clause (c) of Clause 7 unanimously.**



6. After due deliberation, the Committee recommended that the Bill, as reported by the Committee, may be passed by the House and also gave approval for presentation of this report to the House.

7. The Bill as reported by the Committee is at Annex-A and the Bill as passed by the National Assembly is at Annex-B.



(HYDER ALI)
JS/Secretary (Committee)



(SENATOR FAROOQ HAMID NAEK)
Chairman (Committee)

Islamabad, the
31st January, 2020

[AS REPORTED BY THE COMMITTEE]

A

BILL

further to amend the Anti-Money Laundering Act, 2010

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

It is hereby enacted as follows:-

1. Short title and commencement.- (1) This Act may be called the Anti-Money Laundering (Amendment) Act, 2019.

(2) It shall come into force at once.

2. Amendment of section 4, Act VII of 2010.- In the Anti-Money Laundering Act, 2010 (VII of 2010), hereinafter referred to as "the Act", in section 4, for the words "not be less than one year but may extend to" the words "be upto" shall be substituted and for the words "one million" the words "five million" shall be substituted.

3. Amendment of section 6, Act VII of 2010.- In the Act, in section 6, in sub-section (4), in clause (e), the words "after due administrative process" shall be omitted.

4. Amendment of section 7, Act VII of 2010.- In the Act, in section 7,-

(a) in sub-section (1), in the proviso, for the words and comma, "immediately but not later than seven working days after forming that suspicion" the word "promptly" shall be substituted; and

(b) in sub-section (4), for the word "five" the word "ten" shall be substituted.

5. Amendment of section 8, Act VII of 2010.- In the Act, in section 8, in sub-section (1) for the word "ninety" the words "one hundred and eighty" shall be substituted and for the full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely:-

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

6. Amendment of section 9, Act VII of 2010.- In the Act, in section 9, in sub-section (5) for the word "or" occurring for the first time, the word "and" shall be substituted.

7. Amendment of section 33, Act VII of 2010.- In section 33, in sub-section (1), for the words "three" and "one" the words "five" and "five" shall respectively be substituted.

8. Amendment of section 34, Act VII of 2010.- In section 34, in sub-section (2), for the words "three" and "five hundred thousand" the words "five" and "two million" shall respectively be substituted.

STATEMENT OF OBJECTS AND REASONS

In order to bring further improvements in the Anti-Money Laundering Act, 2010 (AML Act) and in line with the suggestions of AML/CFT stakeholders particularly Law Enforcement Agencies responsible for the enforcement of AML Act, 2010, amendments in the AML Act, 2010 are being proposed. The proposed amendments will reflect the Government's firm resolve to strengthen its Anti-Money Laundering regime. These amendments are aimed at streamlining the existing AML law in line with international standards and suggest enhancing the punishment of offence of money laundering to make it more dissuasive and deterrent. The amendments suggest to make the offence punishable under the AML Act, 2010 as "cognizable offence". These amendments would also allow Financial Monitoring Unit to seek Egmont Group Membership (Group of Financial Intelligence Unite) which is the requirement under the Financial Action Task Force Recommendations.

DR. ABDUL HAFEEZ SHAIKH,
Advisor to the Prime Minister on Finance and Revenue

[AS PASSED BY THE NATIONAL ASSEMBLY]

A

Bill

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

It is hereby enacted as under:-

1. **Short title and commencement.-** (1) This Act may be called the Anti-Money Laundering (Amendment) Act, 2019.
- (2) It shall come into force at once.
2. **Amendment of section 4, Act VII of 2010.-** In the Anti-Money Laundering Act, 2010 (VII of 2010), hereinafter referred to as "the Act", in section 4, for the words "not be less than one year but may extend to" the words "be upto" shall be substituted and for the words "one million" the words "five million" shall be substituted.
3. **Amendment of section 6, Act VII of 2010.-** In the Act, in section 6, in sub-section (4), in clause (c), the words "after due administrative process" shall be omitted.
4. **Amendment of section 7, Act VII of 2010.-** In the Act, in section 7,-
 - (a) in sub-section (1), in the proviso, for the words and comma, "immediately but not later than seven working days after forming that suspicion" the word "promptly" shall be substituted; and
 - (b) in sub-section (4), for the word "five" the word "ten" shall be substituted.
5. **Amendment of section 8, Act VII of 2010.-** In the Act, in section 8, in sub-section (1), for the word "ninety" the words "one hundred and eighty" shall be substituted and for the full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely:-

"Provided that the Court may grant further extension for a period up to one year."
6. **Amendment of section 9, Act VII of 2010.-** In the Act, in section 9, in sub-section (5), for the word "or", occurring for the first time, the word "and" shall be substituted.
7. **Amendment of section 21, Act VII of 2010.-** In the Act, in section 21,-
 - (a) in the marginal heading, for the word "non-cognizable" the word "cognizable" shall be substituted;
 - (b) in sub-section (1), in clause (a), for the word "non-cognizable" the word "cognizable" shall be substituted; and
 - (c) in sub-section (3), after the letters "FMU" the words "or Investigating or Prosecuting Agency" shall be inserted.
8. **Amendment of section 33, Act VII of 2010.-** In section 33, in sub-section (1), for the words "three" and "one" the words "five" and "five" shall respectively be substituted.
9. **Amendment of section 34, Act VII of 2010.-** In section 34, in sub-section (2), for the words "three" and "five hundred thousand" the words "five" and "two million" shall respectively be substituted.

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In order to bring further improvements in the Anti-Money Laundering Act, 2010 (AML Act) and in line with suggestions of AML/CFT stakeholders particularly Law Enforcement Agencies responsible for the enforcement of AML Act, 2010, amendments in the AML Act, 2010 are being proposed. The proposed amendments will reflect the Government's firm resolve to strengthen its Anti-Money Laundering regime. These amendments are aimed at streamlining the existing AML law in line with international standards and suggest enhancing the punishment of offence of money laundering to make it more dissuasive and deterrent. The amendments suggest to make the offence punishable under the AML Act, 2010 as "cognizable offence". These amendments would also allow Financial Monitoring Unit to seek Egmont Group Membership (Group of Financial Intelligence Unit) which is the requirement under the Financial Action Task Force Recommendations.

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Adviser to the Prime Minister on Finance and Revenue