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**PART II**

**Statutory Notifications containing Rules and Orders Issued by all Ministries and Divisions of the Government of Pakistan and their Attached and Subordinate Offices and the Supreme Court of Pakistan**

GOVERNMENT OF PAKISTAN

**FINANCIAL MONITORING UNIT**

NOTIFICATION

*Karachi, the 22nd November, 2008*

**S.R.O. 02 (KE)/2009:**

In exercise of the powers conferred by section 44 of the Anti-Money Laundering Ordinance, 2007 (XLV of 2007) read with clause (n) of sub-section (4) of section 6 thereof, the Financial Monitoring Unit, in consultation with the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan, with the approval of the National Executive Committee (NEC) hereby makes the following regulations, namely :-

**THE ANTI MONEY LAUNDERING REGULATIONS, 2008**

**1. Short title and Commencement.** (1) These regulations may be called the Anti Money Laundering Regulations, 2008.

(2) They shall come into force at once.

(3)

Price : Rs. 20.50

**2. Definition.**—(1) In these regulations unless the context otherwise requires,\_\_\_

- (a) "Ordinance" means the Anti-Money Laundering Ordinance, 2007 (XLV of 2007);
  - (b) "account" means a formal banking or business relationship established to provide regular services, dealings, and other financial or business transactions; and includes all kinds of deposit, saving or other transactions or asset accounts, all types of credit or loan accounts or other extension of credit by whatever name called; and
  - (c) "NFBP" means non-financial businesses and professions as defined in the Ordinance.
- (2) All other words and expressions shall have the same meanings as are assigned to them in the Ordinance.

**3. Jurisdiction for reporting of suspicious transactions and currency transactions.**\_\_\_ (1) FMU is the only designated agency in Pakistan to which suspicious transaction reports (STRs) and currency transaction reports (CTRs) shall be made.

- (2) The FMU shall, after analyzing the transactions, refer any report of a suspicious or currency transaction to any appropriate investigating or prosecuting agency for use in the conduct of inquiry, investigation, prosecution, intelligence or counterintelligence activities including analysis, including in respect of potential cases of money laundering or terrorist financing.
- (3) Nothing in sub-regulation (1) shall be construed as precluding supervisory agency for a financial institution from requiring the financial institution to submit any information or report to the agency or another agency in the normal course of business under other applicable laws.

**4. Reporting of suspicious transactions.**\_\_\_ (1) In addition to financial institutions, Director General may, under the Ordinance, require any NFBP or any director, officer, employee, or agent of NFBPs to report suspicious transaction to FMU in the manner as he may, from time to time, prescribe.

- (2) Every financial institution and such NFBP as required under sub-regulation (1) shall file with FMU on the prescribed format as annexed, STR effected or attempted by, at or through that financial institution or NFBP if the financial institution or NFBP knows, suspects, or has reason to suspect that the transaction (or a pattern of transactions of which the transaction is a part) involves funds derived from illegal activities or is intended or effected in order to hide or disguise proceeds of crimes or is designed to evade any requirements of section 7 of the Ordinance or has no apparent lawful purpose after examining the available facts,

including the background and possible purpose of the transaction. A guide containing examples of possible suspicious transactions and characteristics of financial transaction that may be a cause for increased scrutiny is given in Appendix-I and II.

- (3) The STR shall be filed by financial institutions and designated NFBP's immediately but not later than seven working days after forming that suspicion in respect of a particular transaction, irrespective of the fact that the transaction was followed through or not.

**5. Reports on currency transactions.** (1) When a financial institution or a NFBP undertakes a cash based transaction involving payment, receipt, or transfer of an amount exceeding the minimum threshold as specified by the National Executive Committee (NEC), hereinafter referred to as the NEC, the financial institution or NFBP shall file a report of such transaction on prescribed format as annexed immediately but not later than seven working days, after the respective currency transaction.

- (2) The NEC may exempt a financial institution from the reporting requirements of sub-regulation (1) with respect to transactions between financial institutions and the following categories of entities, namely:-
  - (a) a department or agency of the Federal Government or a Provincial Government or any autonomous body under the Federal Government or Provincial Government.
  - (b) any business or category of business the reports on which entail little or no risk concerning money laundering and terrorist financing.
- (3) The Secretary of the NEC, after the approval of the NEC, shall publish in the official gazette at such times as he may determine to be appropriate (but not less frequently than once each year) a list of all the entities whose transactions with a financial institution are exempt under this sub-regulation from the reporting requirements of sub-regulation (1).

**6. Discretionary exemptions from reporting requirements.** (1) The Director General may exempt a financial institution from the reporting requirements of sub-regulation (1) of regulation 5 with respect to transactions between the financial institution and a qualified business customer of the institution on the basis of information submitted to him by the institution in accordance with procedures which the Director General shall establish.

*Explanation.* For the purposes of this sub-regulation, the expression "qualified business customer" means a business which

- (a) maintains a transaction account at the financial institution;
- (b) frequently engages in transactions with the financial institution which are subject to the reporting requirements of sub-regulation

(1), and

- (c) meets criteria which the Director General determines is sufficient to ensure that the purposes of these regulations are carried out without requiring a report with respect to such transactions.
- (2) The Director General may grant exemption under this sub-regulation to a qualified business customer for a specified period on a case to case basis upon being approached by a financial institution with reasonable justification for grant of such exemption.
- (3) The financial institutions shall, on expiry of the specified period of exemption, review the qualified business customers with respect to whom an exemption has been granted and, upon the completion of such review, resubmit the request for exemption, if so required, to the Director General for his approval.
- (4) Any financial institution which
  - (a) knowingly furnishes false or incomplete information to the Director-General with respect to the transaction or the customer engaging in the transaction, or
  - (b) has reason to believe at the time the exemption is granted or the transaction is entered into that the customer or the transaction does not meet the criteria established for granting such exemption;

shall be subject to proceeding under the Ordinance for seeking any such exemption and for the failure of the institution to file suspicious report, if any, with respect to a transaction with such customer for whom an exemption has been granted under this sub-regulation.

**7. Freezing of property.** (1) Where a financial institution or NFBP knows, suspects or has reasons to suspect that any property or account is involved in money laundering or terrorist financing and needs immediate attention or action on the part of FMU as to the freezing of such property or account, the concerned financial institution or NFBP as the case may be, shall immediately inform the Director General of such property or account along with the grounds that warrant immediate action.

- (2) The Director-General may, if there appear to be reasonable grounds to believe that any property or account is involved in money laundering or terrorist financing, order freezing of such property of account for a maximum period of fifteen days, in any manner that he may deem fit in the circumstances.

**8. Disclosure and provision of information.** (1) If financial institutions, NFBP's intermediaries or their officers pursuant to the Ordinance furnish informa-

tion required under the Ordinance\_

- (a) the financial institutions, NFBPs, intermediaries and their officers are prohibited from directly or indirectly notifying any person involved in the transaction that the transaction has been reported; and
  - (b) no officer or employee of the FMU, the investigating agency or the Government who has any knowledge that such report was made shall directly or indirectly disclose to any person involved in the transaction that the transaction has been reported, other than as necessary to fulfill the official duties of such officer or employee.
- (2) Any financial institution, NFBP, intermediary or officer which makes a disclosure pursuant to the Ordinance and these regulations shall not be subject to any civil, criminal or disciplinary proceedings under any law or regulation or under any contract or other legally enforceable agreement (including any arbitration agreement), for such disclosure or for any failure to provide notice of such disclosure to the person who is the subject of such disclosure or any other person identified in the disclosure.
- (3) Sub-regulation (1) shall not be construed as creating\_
  - (a) any inference that the expression "person", may be construed more broadly than its ordinary usage so as to include any government or agency of government; or
  - (b) any immunity against, or otherwise affecting, any civil or criminal action brought by any government or agency of government to enforce law, rules or regulations of such government or agency.
- (4) The financial institutions and NFBPs must provide all documentation supporting the filing of a STR or any related information upon demand by FMU. When asked to provide supporting documentation or any information, financial institutions and NFBPs should take special care to verify that the person asking for information is, in fact, an authorized representative of FMU.

**APPENDIX I**

[See Regulation 4]

**Examples of Suspicious Transactions**

**1. General comments.** (1) The following are examples of potential suspicious transactions for both money laundering and terrorist financing. The lists of situations given below are intended mainly as a means of highlighting the basic ways in which money may be laundered. Although these lists are not allinclusive, they may help financial institutions and NFBPs recognize possible money laundering and terrorist financing schemes.

- (2) While each individual situation may not be sufficient to suggest that money laundering or a criminal activity is taking place, a combination of such situations may be indicative of such a transaction. A customer's declarations regarding the background of such transactions should be checked for plausibility. Not every explanation offered by the customer can be accepted without additional scrutiny. Closer scrutiny should help to determine whether the activity is suspicious or one for which there does not appear to be a reasonable business or legal purpose.
- (3) It is justifiable to suspect any customer who is reluctant to provide normal information and documents required routinely by the financial institutions in the course of the business relationship. Financial Institutions should pay attention to customers who provide minimal, false or misleading information or, when applying to open an account, provide information that is difficult or expensive to verify.

**2. Transactions which do not make economic sense.** (1) A customer-relationship that does not appear to make economic sense, for example, a customer having a large number of accounts with the same financial institution, frequent transfers between different accounts or exaggeratedly high liquidity.

- (2) Transactions in which assets are withdrawn immediately after being deposited, unless the customer's business activities furnish a plausible reason for immediate withdrawal.
- (3) Transactions that cannot be reconciled with the usual activities of the customer, for example, the use of Letters of Credit and other methods of trade finance to move money between countries where such trade is not consistent with the customer's usual business.
- (4) Transactions which, without plausible reason, result in the intensive use of what was previously a relatively inactive account, such as a customer's account which shows virtually no normal personal or business related activities but is used to receive or disburse unusually large sums which have no obvious purpose or relationship to the customer and/or his business.

- (5) Provision of bank guarantees or indemnities as collateral for loans between third parties that are not in conformity with market conditions.
- (6) Unexpected repayment of an overdue credit without any plausible explanation.
- (7) Back-to-back loans without any identifiable and legally admissible purpose.

**3. Transactions inconsistent with the customer's business.**\_\_\_(1) The currency transaction patterns of a business show a sudden change inconsistent with normal activities.

- (2) A large volume of cashier's cheques, money orders, or funds transfers is deposited into, or purchased through, an account when the nature of the account holder's business would not appear to justify such activity.
- (3) A retail business has dramatically different patterns of currency deposits from similar businesses in the same general location.
- (4) Unusual transfers of funds occur among related accounts or among accounts that involve the same or related principals.
- (5) The owner of both a retail business and a cheque-cashing service does not ask for currency when depositing cheques, possibly indicating the availability of another source of currency.
- (6) Goods or services purchased by the business do not match the customer's stated line of business.

**4. Transactions involving large amounts of cash.**\_\_\_(1) Exchanging an unusually large amount of small-denominated notes for those of higher denomination.

- (2) Purchasing or selling of foreign currencies in substantial amounts by cash settlement despite the customer having an account with the financial institution.
- (3) Frequent withdrawal of large amounts in cash by means of cheques, including traveller's cheques.
- (4) Frequent withdrawal of large cash amounts that do not appear to be justified by the customer's business activity.
- (5) Large cash withdrawals from a previously dormant/inactive account, or from an account which has just received an unexpected large credit from abroad.
- (6) Company transactions, both deposits and withdrawals, that are denominated by unusually large amounts of cash, rather than by way

of debits and credits normally associated with the normal commercial operations of the company, e.g. cheques, letters of credit, bills of exchange, etc.

- (7) Depositing cash by means of numerous credit slips by a customer such that the amount of each deposit is not substantial, but the total of which is substantial.
- (8) The deposit of unusually large amounts of cash by a customer to cover requests for bankers' drafts, money transfers or other negotiable and readily marketable money instruments.
- (9) Customers whose deposits contain counterfeit notes or forged instruments.
- (10) Customers making large and frequent cash deposits but cheques drawn on the accounts are mostly to individuals and firms not normally associated with their business.
- (11) Customers who together, and simultaneously, use separate tellers to conduct large cash transactions or foreign exchange transactions.
- (12) The size and frequency of currency deposits increases rapidly with no corresponding increase in non-currency deposits.

**5. Transactions involving structuring to avoid reporting or identification requirement.**

(1) Structuring transactions are conducted to evade reporting and identification requirements. A person structures a transaction by breaking down a single currency sum exceeding the specified threshold into smaller amounts that may be conducted as a series of transactions at or less than specified amount. Money launderers and criminals have developed many ways to structure large amounts of currency to evade the reporting and identification requirements. Unless currency smuggled out of country or commingled with the deposits of an otherwise legitimate business, any money laundering scheme that begins with a need to convert the currency proceeds of criminal activity into more legitimate-looking forms of financial instruments, accounts or investments, will likely involve some form of structuring. Financial institutions' employees should be aware of and alert to the following structuring schemes, namely :-

- (a) a customer makes currency deposit or withdrawal transactions, so that each is less than the CTR filing threshold.
- (b) a customer uses currency to purchase official bank cheques, money orders, or traveler's cheques with currency in amounts less than the specified amount to avoid having to produce identification in the process;
- (c) deposits are structured through multiple branches of the same financial institution or by groups of people who enter a single branch at the same time; or



(d) a person customarily uses the automated teller machine to make several deposits below a specified threshold.

- (2) In addition, structuring may occur before a customer brings the funds to a financial institution. In these instances, a financial institution may be able to identify the aftermath of structuring. Deposits of money instruments that may have been purchased elsewhere might be structured to evade the reporting and recordkeeping requirements. These instruments are often numbered sequentially in groups totalling less than the specified amount; bear the same handwriting (for the most part) and often the same small mark, stamp, or initials, or appear to have been purchased at numerous places on the same or different days.

**6. Transactions involving accounts.**— (1) Matching of payments out with credits paid in by cash on the same or previous day.

- (2) Paying in large third party cheques endorsed in favour of the customer.
- (3) Substantial increases in deposits of cash or negotiable instruments by a professional firm or company, using client accounts or in-house company or trust accounts, especially if the deposits are promptly transferred between other client company and trust accounts.
- (4) High velocity of funds through an account, i.e. low beginning and ending daily balances, which do not reflect the large volume of funds flowing through an account.
- (5) Multiple depositors using a single account.
- (6) An account opened in the name of an exchange company that receives structured deposits.
- (7) An account operated in the name of an off shore company with structured movement of funds.

**7. Transactions involving transfers to and from abroad.**— (1) Transfer of money abroad by an interim customer in the absence of any legitimate reason. An interim customer is one who is not a regular customer of the financial institution in question, or does not maintain an account, deposit account, safe deposit box, etc.

- (2) A customer which appears to have accounts with several financial institutions in the same locality, especially when the financial institution is aware of a regular consolidated process from such accounts prior to a request for onward transmission of the funds elsewhere.
- (3) Repeated transfers of large amounts of money abroad accompanied by the instruction to pay the beneficiary in cash.

- (4) Large and regular payments that cannot be clearly identified as bona fide transactions, from and to countries associated with (i) the production, processing or marketing of narcotics or other illegal drugs or (ii) criminal conduct.
- (5) Substantial increase in cash deposits by a customer without apparent cause, especially if such deposits are subsequently transferred within a short period out of the account and/or to a destination not normally associated with the customer.
- (6) Building up large balances, not consistent with the known turnover of the customer's business, and subsequent transfer to account (s) held overseas.
- (7) Cash payments remitted to a signal account by a large number of different persons without an adequate explanation.
- (8) Funds transfer activity occurs to or from a financial secrecy haven without an apparent business reason or when the activity is inconsistent with the customer's business or history.
- (9) Many small, incoming transfers of funds are received, or deposits are made using cheques and money orders. Almost immediately, all or most of the transfers or deposits are wired to another city or country in a manner inconsistent with the customer's business or history.
- (10) Incoming funds transfers with limited content and lack of remitter's information.
- (11) Unusually large number and variety of beneficiaries are receiving funds transfers from one company.

**8. Investment related transactions.** (1) Purchasing of securities to be held by the financial institution in safe custody, where this does not appear appropriate given the customer's apparent standing.

- (2) Requests by a customer for investment management services where the source of funds is unclear or not consistent with the customer's apparent standing.
- (3) Larger or unusual settlements of securities transactions in cash form.
- (4) Buying and selling of a security with no discernible purpose or in circumstances which appear unusual.

**9. Transactions involving unidentified parties.** (1) Provision of collateral by way of pledge or guarantee without any discernible plausible reason by third parties unknown to the financial institution and who have no identifiable close relationship with the customer.

- (2) Transfer of money to another financial institution without indication of the beneficiary.
- (3) Payment orders with inaccurate information concerning the person placing the orders.
- (4) Use of pseudonyms or numbered accounts for effecting commercial transactions by enterprises active in trade and industry.
- (5) Holding in trust of shares in an unlisted company whose activities cannot be ascertained by the financial institution.
- (6) Customers who wish to maintain a number of trustee or clients' accounts that do not appear consistent with their type of business, including transactions that involve nominee names.

**10. Transactions involving insurance.** (1) A customer purchases products with termination features without concern for the product's investment performance.

- (2) A customer purchases insurance products using a single, large premium payment, particularly when payment is made through unusual methods such as currency or currency equivalents.
- (3) A customer purchases product that appears outside the customer's normal range of financial wealth or estate planning needs.
- (4) A customer borrows against the cash surrender value of permanent life insurance policies, particularly when payments are made to apparently unrelated third parties.
- (5) Policies are purchased that allow for the transfer of beneficial ownership interests without the knowledge and consent of the insurance issuer. This would include secondhand endowment and bearer insurance policies.
- (6) A customer is known to purchase several insurance products and uses the proceeds from an early policy surrender to purchase other financial assets.

**11. Transactions involving embassy and foreign consulate accounts.**

- (1) Official embassy business is conducted through personal accounts.
- (2) Account activity is not consistent with the purpose of the account, such as pouch activity or payable upon proper identification transactions.
- (3) Accounts are funded through substantial currency transactions.
- (4) Accounts directly fund personal expenses of foreign nationals without appropriate controls, including, but not limited to, expenses for college students.

**12. Miscellaneous transactions.** (1) Purchase or sale of large amounts of precious metals by an interim customer.

- (2) Purchase of bank cheques on a large scale by an interim customer.
- (3) Extensive or increased use of safe deposit facilities that do not appear to be justified by the customer's personal or business activities.
- (4) Safe deposit boxes are used by individuals who do not reside or work in the institution's service area despite the availability of such services at an institution closer to them;
- (5) Unusual traffic patterns in the safe deposit box area or unusual use of safe custody accounts. For example, more individuals may enter, enter more frequently, or carry bags or other containers that could conceal large amounts of currency, monetary instruments, or small valuable items.
- (6) A customer rents multiple safe deposit boxes to park large amounts of currency, monetary instruments, or high-value assets awaiting conversion to currency, for placement into the financial system. Similarly, a customer establishes multiple safe custody accounts to park large amounts of securities awaiting sale and conversion into currency, monetary instruments, outgoing funds transfers, or a combination thereof, for placement into the financial system.
- (7) Loans are made for, or are paid on behalf of, a third party with no reasonable explanation.
- (8) To secure a loan, the customer purchases a certificate of deposit using an unknown source of funds, particularly when funds are provided via currency or multiple monetary instruments.
- (9) A customer purchases a number of open-end stored value cards for large amounts. Purchases of stored value cards are not commensurate with normal business activities.
- (10) Suspicious movements of funds occur from one financial institution to another, and then funds are moved back to the first financial institution.
- (11) Purchase of real estate on price higher than the determinable value.
- (12) A series of purchases of real estate within relatively short span of time.

**13. Potential indicators of money laundering/terrorist financing.** The following examples of potentially suspicious activity that may involve money laundering or terrorist financing threat, are primarily based on guidance note provided by the Financial Action Task Force (FATF) in the name of "Guidance for Financial Institutions in Detecting Terrorist Financing" FATF is an intergovernmental body

whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing.

**(a) Activity inconsistent with the customer's business :**

- (i) funds are generated by a business owned by persons of the same origin or by a business that involves persons of the same origin from high-risk countries (e.g. countries designated by national authorities and FATF as non-cooperative countries and territories);
- (ii) the stated occupation of the customer is not commensurate with the type or level of activity ;
- (iii) persons involved in currency transactions share an address or phone number, particularly when the address is also a business location or does not seem to correspond to the stated occupation (e.g. student, unemployed, or self-employed);
- (iv) in nonprofit or charitable organizations, financial transactions occur for which there appears to be no logical economic purpose or in which there appears to be no link between the stated activity of the organization and the other parties in the transaction; and
- (v) a safe deposit box opened on behalf of a commercial entity when the business activity of the customer is unknown or such activity does not appear to justify the use of a safe deposit box.

**(b) Funds transfers :**

- (i) large number of incoming or outgoing funds transfers take place through a business account, and there appears to be no logical business or other economic purpose for the transfers, particularly when this activity involves high risk locations;
- (ii) funds transfers are ordered in small amounts in an apparent effect to avoid triggering identification or reporting requirements.
- (iii) funds transfers do not include information on the originator, or the person on whose behalf the transaction is conducted, when the inclusion of such information would be expected;
- (iv) multiple personal and business accounts or the accounts of non-profit organizations or charities are used to collect and funnel funds to a small number of foreign beneficiaries; and
- (v) foreign exchange transactions are performed on behalf of a customer by a third party, followed by funds transfers to locations having no apparent business connection with the customer or to high risk countries.

**(c) Other transactions that appear unusual or suspicious:**

- (i) transactions involving foreign currency exchanges are followed within a short time by funds transfers to high-risk locations;
- (ii) multiple accounts are used to collect and funnel funds to a small number of foreign beneficiaries, both persons and businesses, particularly in high risk locations;
- (iii) a customer obtains a credit instrument or engages in commercial financial transactions involving the movement of funds to or from high-risk locations when there appear to be no logical business reasons for dealing with those locations;
- (iv) financial institutions from high-risk locations open accounts;
- (v) funds are sent or received via international transfers from or to high risk locations; and
- (vi) Insurance policy loans or policy surrender values that are subject to a substantial surrender charge.

**APPENDIX-II**

[See Regulation 4]

**Characteristics of Financial Transactions That May  
Be a Cause for Increased Scrutiny****A. Accounts :**

- (1) Accounts that receive relevant periodical deposits and are dormant at other periods. These accounts are then used in creating a legitimate appearing financial background through which additional fraudulent activities may be carried out.
- (2) A dormant account containing a minimal sum suddenly receives deposits or series of deposits followed by daily cash withdrawals that continue until the sum so received has been removed.
- (3) When opening an account, the customer refuses to provide information required by the financial institution, attempts to reduce the level of information provided to the minimum or provides information that is misleading or difficult to verify.
- (4) An account for which several persons have signature authority, yet these persons appear to have no relation among each other (either family ties or business relationship).

- (5) An account opened by a legal entity or an organization that has the same address as other legal entities or organizations but for which the same person or persons have signature authority, when there is no apparent economic or legal reason for such an arrangement (for example, individuals serving as company directors for multiple companies headquartered at the same location, etc.).
- (6) An account opened in the name of a recently formed legal entity and in which a higher than expected level of deposits are made in comparison with the income of the promoter of the entity.
- (7) The opening by the same person of multiple accounts into which numerous small deposits are made that in aggregate are not commensurate with the expected income of the customer.
- (8) An account opened in the name of a legal entity that is involved in the activities of an association or foundation whose aims are related to the claims or demands of a terrorist organization.
- (9) An account opened in the name of a legal entity, a foundation or an association, which may be linked to a terrorist organization and that shows movements of funds above the expected level of income.

**B. Deposits and withdrawals :**

- (1) Deposits for a business entity in combinations of monetary instruments that are a typical of the activity normally associated with such a business.
- (2) Large Cash withdrawals made from a business account not normally associated with cash transaction.
- (3) Large cash deposits made to the account of an individual or legal entity when the apparent business activity of the individual or entity would normally be conducted in cheques or other payment instruments.
- (4) Mixing of cash deposits and monetary instruments in an account in which such transactions do not appear to have any relation to the normal use of the account.
- (5) Multiple transactions carried out on the same day at the same branch of a financial institution but with an apparent attempt to use different tellers.
- (6) The structuring of deposits through multiple branches of the same financial institution or by groups of individuals who enter a single branch at the same time.
- (7) The deposit or withdrawal of cash in amounts which fall consistently just below identification or reporting thresholds.

- (8) The presentation of uncounted funds for a transaction. Upon counting, the transaction is reduced to an amount just below that which would trigger reporting or identification requirements.
- (9) The deposit or withdrawal of multiple monetary instruments at amounts which fall consistently just below identification or reporting thresholds, if any, particularly if the instruments are sequentially numbered.

**C. Wire transfers :**

- (1) Wire transfers ordered in small amounts in an apparent effort to avoid triggering identification or reporting requirements.
- (2) Wire transfers to or for an individual where information on the originator, or the person on whose behalf the transaction is conducted, is not provided with the wire transfer, when the inclusion of such information would be expected.
- (3) Use of multiple personal and business accounts or the accounts of non-profit organizations or charities to collect and then funnel funds immediately or after a short time to a small number of foreign beneficiaries.
- (4) Foreign exchange transactions that are performed on behalf of a customer by a third party followed by wire transfers of the funds to locations having no apparent business connection with the customer or to countries of specific concern.

**D. Characteristics of the customer or his/her business activity :**

- (1) Funds generated by a business owned by individuals of the same origin or involvement of multiple individuals of the same origin from countries of specific concern acting on behalf of similar business types.
- (2) Shared address for individuals involved in cash transactions, particularly when the address is also a business location and/or does not seem to correspond to the stated occupation (for example student, unemployed, self-employed, etc.).
- (3) Stated occupation of the transactor is not commensurate with the level or type of activity (for example, a student or an unemployed individual who receives or sends large numbers of wire transfers, or who makes daily maximum cash withdrawals at multiple locations over a wide geographic area).
- (4) Regarding non-profit or charitable organizations, financial transactions for which there appears to be no logical economic purpose or in which



there appears to be no link between the stated activity of the organization and the other parties in the transaction.

- (5) A safe deposit box is opened on behalf of a commercial entity when the business activity of the customer is unknown or such activity does not appear to justify the use of a safe deposit box.
- (6) Unexplained inconsistencies arising from the process of identifying or verifying the customer (for example, regarding previous or current country of residence, country of issue of the passport, countries visited according to the passport, and documents furnished to confirm name, address and date of birth).

**E. Transactions linked to locations of concern :**

- (1) Transactions involving foreign currency exchanges that are followed within a short time by wire transfers to locations of specific concern (for example, countries designated by national authorities, FATF non-cooperative countries and territories; etc.).
- (2) Deposits are followed within a short time by wire transfers of funds, particularly to or through a location of specific concern (for example, countries designated by national authorities, FATF non-cooperative countries and territories, etc).
- (3) A business account through which a large number of incoming or outgoing wire transfers take place and for which there appears to be no logical business or other economic purpose, particularly when this activity is to, through or from locations of specific concern.
- (4) The use of multiple accounts to collect and then funnel funds to a small number of foreign beneficiaries, both individuals and businesses, particularly when these are in locations of specific concern.
- (5) A customer obtains a credit instrument or engages in commercial financial transactions involving movement of funds to or from locations of specific concern when there appears to be no logical business reasons for dealing with those locations.
- (6) The opening of accounts of financial institutions from locations of specific concern.
- (7) Sending or receiving funds by international transfers from and/or to locations of specific concern.

**Suspicious Transaction Report**

[See Regulation 4 (2)]

(Check appropriate box)

1) Date \_\_\_\_/\_\_\_\_/\_\_\_\_ dd/mm/yyyy

2)  Initial Report  Correded Report  Supplemental Report

**Part I Reporting Financial Institution Information**

3) Name of Institution \_\_\_\_\_

4) NIFT Code \_\_\_\_\_

5) Address of Financial Institution \_\_\_\_\_

6) Name of Branch where transaction/activity occurred: \_\_\_\_\_

7) Branch Code \_\_\_\_\_

8) Address of Branch: \_\_\_\_\_

**9) Primary Regulator**

SBP  SECP  Other (Please Specify)

**Reporting Officer**

10) Name \_\_\_\_\_

11) Designation \_\_\_\_\_

12) Phone Number (s) Include area code \_\_\_\_\_

13) Fax Number(s) (Include area code) \_\_\_\_\_

14) Email Address \_\_\_\_\_

15) Cell Number (s) \_\_\_\_\_

**Contact for Assistance (If different from Reporting Officer)**

16) Name \_\_\_\_\_

17) Designation \_\_\_\_\_

18) Phone Number(s) Include area code \_\_\_\_\_

19) Fax Number(s) (Include area code) \_\_\_\_\_

20) Email Address \_\_\_\_\_

21) Cell Number (s) \_\_\_\_\_

**Part II Suspect Information**

22) Name \_\_\_\_\_

23) Father/Husband's Name \_\_\_\_\_

24) Address (permanent)

25) Address (present)

26) Other Known Address

27) Phone Number(s)-Residence (Include area code)	<input type="text"/>
28) Phone Number(s)-Office (Include area code)	<input type="text"/>
29) Fax Number (s)	<input type="text"/>
30) Cell Number (s)	<input type="text"/>

31) CNIC Number

32) NIC Number (in case CNIC number is not available)

33) Any other Identification Number

34) National Tax Number (NTN), if available

35) Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ (dd/mm/yyyy)

36) Nationality

37) Occupation/Type of Business

38) Relationship with Financial Institution

- Accountholder       Employee       Agent       Walk in Customer
- Other (Please specify) \_\_\_\_\_

39) Business Relation with Suspect (if any)

40) Is Relationship Still Maintained with the Person?       YES       NO

41) In Case No. Mention Date of Termination of relationship \_\_\_\_/\_\_\_\_/\_\_\_\_ (dd/mm/yyyy)

42) Capacity in which the person is performing the transactions/acts

- Individual       Company       Agent       Broker
- Other (Please specify) \_\_\_\_\_

43) Identities of other persons known to be involved in reported activity

**Part III** Suspicious Transaction Information:

44) Date of Suspicious Transaction \_\_\_\_/\_\_\_\_/\_\_\_\_ (dd/mm/yyyy)

45) Amount involved (Please Specify Currency)

## 46) Suspicious Transactions:

Date	Amount	Description of Transaction

## 47) Brief Narrative (Reasons for Suspicion)

(Include suspicious activity information, explanation/description and background details)

--

## 48) Characterization of Suspicious Transaction (i.e. nature of suspected predicate schedule offence)

## 49) Has the transaction already been reported to any Law Enforcement Agency? If so, list the agency.

a	
b	
c	
d	

**Part IV Account Information**

## 50) Account number (s) effected, if any

a)	b)	c)	d)
----	----	----	----

## 51) Account(s) opened on (dd/mm/yyyy)

a)	b)	c)	d)
----	----	----	----

## 52) Current Status of the Account(s)

a)	b)	c)	d)
----	----	----	----

## 53) Purpose of account (s)

a)	b)	c)	d)
----	----	----	----

## 54) Average Monthly Turnover of account (s)

a)	b)	c)	d)
----	----	----	----

## 55) Aggregate Credits/Debits for last 3 Years

a)	b)	c)	d)
----	----	----	----

## 56) Peak Balance(s) of last 3 Years

a)	b)	c)	d)
----	----	----	----

## 57) Nature of Account (s)

- Individual       Partnership       Company       Trust  
 other (please specify) \_\_\_\_\_

58) Transaction Mean/Method

- |   |                                     |                                     |  |
|---|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> Cash                         | <input type="checkbox"/> Cheque     | <input type="checkbox"/> Remittance | <input type="checkbox"/> Pay Order       |
| <input type="checkbox"/> Credit Card                  | <input type="checkbox"/> Debit Card | <input type="checkbox"/> Deposits   | <input type="checkbox"/> Fixed Deposit   |
| <input type="checkbox"/> Draft                        | <input type="checkbox"/> Transfer   | <input type="checkbox"/> LC         | <input type="checkbox"/> Online Transfer |
| <input type="checkbox"/> Other (Please specify) _____ |                                     |                                     |  |

59) Copies of Following Documents are attached:

- Customer Identification documents/Account Opening Form
- KYC/CDD of Customer or Suspect
- Other Documents obtained at the time of opening of account/relationship.
- Relevant documents supporting the STR.

60) Other Relevant Information (information linked to STR or action taken by the reporting entity).

(Seal & Signature of Reporting Officer)

**Currency Transaction Report**

[See Regulation 5]

(Check appropriate box)

1) Date \_\_\_\_/\_\_\_\_/\_\_\_\_ dd/mm/yyyy

2)  Initial Report  Corrected Report  Supplemental Report

**Part I Person(s) Involved in Transaction (s)**

**Section A-Person(s) on Whose Behalf Transaction(s) Is Conducted**

3) Name \_\_\_\_\_

4) Father/Husband's name \_\_\_\_\_

5) Address (permanent) \_\_\_\_\_  
 \_\_\_\_\_

6) Address (present) \_\_\_\_\_  
 \_\_\_\_\_

7) Other Known Address \_\_\_\_\_  
 \_\_\_\_\_

8) Phone Number-Residence(include area code) \_\_\_\_\_

9) Phone Number-Office (Include area code) \_\_\_\_\_

10) Fax Number \_\_\_\_\_

11) Cell Number \_\_\_\_\_

12) CNIC Number \_\_\_\_\_

13) NIC Number (in case CNIC number is not available)

14) Any other Identification Number \_\_\_\_\_

15. National Tax Number (NTN), if available

16) Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ (dd/mm/yyyy)

17) Nationality \_\_\_\_\_

18) Occupation/Type of Business \_\_\_\_\_

19) Relationship with Financial Institution

Customer  Employee  Agent  Walk in Customer

Other (Please specify) \_\_\_\_\_

20) Business Relation with Suspect (if any).

Section B- Individuals Conducting Transaction(s) (if other than above).

21) Name \_\_\_\_\_

22) Father/Husband's Name \_\_\_\_\_

23) Address (permanent)

24) Address (present)

25) Contact Numbers (include area code)

26) CNIC Number

27) Any other Identification Number

28) Date of Birth : \_\_\_\_/\_\_\_\_/\_\_\_\_ (dd/mm/yyyy)

29) Nationality

30) Occupation/Type of Business

31) Relationship with Financial Institution

- Customer     
  Employee     
  Agent     
  Walk in Customer  
 Other (Please specify) \_\_\_\_\_

**Part II Amount and Type of Transaction(s) Check all boxes that apply.**

32) Date of Transaction  
 \_\_\_\_/\_\_\_\_/\_\_\_\_  
 (dd/mm/yyyy)

**(In Cases of Local Currency)**

33) Total Cash in       34) Total Cash out

**(In Case of Foreign Currency)**

35) Foreign Cash in       36) Foreign Cash out       37) Name of Foreign Country

**Type of Transaction**

- |  |  |
|--|--|
| <p>38) <input type="checkbox"/> Negotiable Instrument(s) Purchased</p> <p>40) <input type="checkbox"/> Currency Exchange (s)</p> <p>42) <input type="checkbox"/> Account Number(s) Affected (if any)</p> <p>44) <input type="checkbox"/> Others (specify)</p> <p>_____</p> <p>_____</p> <p>_____</p> | <p>39) <input type="checkbox"/> Negotiable Instrument(s) Cashed</p> <p>41) <input type="checkbox"/> Deposit/ Withdrawal</p> <p>43) <input type="checkbox"/> Wire Transfer (s)</p> <p>_____</p> <p>_____</p> <p>_____</p> |
|--|--|

**Part III Financial Institution Where Transaction(s) Takes Place**

- 45) Name of Institution \_\_\_\_\_
- 46) NIFT Code
- 47) Branch Code
- 48) Address of Financial Institution: \_\_\_\_\_
- \_\_\_\_\_
- 49) Name of Branch where transaction/activity occurred: \_\_\_\_\_
- 50) Address of Branch: \_\_\_\_\_
- \_\_\_\_\_

**Reporting Officer**

- |  |  |
|--|--|
| <p>51) Name <input type="text"/></p> <p>53) Phone Number(s) (Include area code) <input type="text"/></p> <p>54) Email Address <input type="text"/></p> <p><b>Contact Person</b></p> <p>56) Name <input type="text"/></p> | <p>52) Designation <input type="text"/></p> <p>53) Fax Number(s) (Include area code) <input type="text"/></p> <p>55) Cell Number(s) <input type="text"/></p> <p>57) Phone Number(s) <input type="text"/></p> |
|--|--|

[No. FMU/Policy/2008/425]

Seal & Signature of Reporting Officer

**AZHAR IQBAL KURESHI**  
*Director-General.*