

Expansion in the List of Predicate Offences (Schedule to the AML Act, 2010)

Over a period of time, the Government of Pakistan has introduced additional reforms/measures to combat money laundering and terrorist financing in the country. In this context, the Schedule of Predicate offences under the AML Act, 2010 has been revised to include additional offences from the following Laws/Acts:

1. Pakistan Penal Code, 1860;
2. Prevention of Corruption Act, 1947;
3. Foreign Exchange Regulations Act, 1947;
4. Customs Act, 1969;
5. Securities Act, 2015;
6. Sales Tax Act, 1990;
7. Federal Excise Act, 2005; and
8. Income Tax Ordinance, 2001.

For the purpose of ready reference the additional predicate offences along with the relevant Sections of the respective laws, which have been added to the Schedule of AML Act 2010 are attached ([Annexure-1](#))

Further, it is advised that the following points may be taken into consideration, while reporting Suspicious Transaction Reports (STRs):

- STRs should always be reported wherever suspected to be linked to the offences included in the Schedule of AML Act, 2010 including the aforementioned offences added in the recent past.
- The NTN and CNIC of every suspect being reported in the STR should invariably be checked at the FBR website and reported accordingly in the STR
- The status of Suspect in the Active Tax Payers List for Income Tax / Sales Tax should be checked and reported accordingly in the STR.
- Also check & report the amount of Taxes paid by the suspect as per the Tax Directory available on the FBR Website.

Annexure-1

The list of predicate offences, recently added, to the Schedule of AML Act, 2010 are given as under:

1. Pakistan Penal Code, 1860 (Act XLV of 1860)

Relevant Section	Description
419	Punishment for cheating by personation
489G	Counterfeiting or using documents resembling Prize Bonds or unauthorized sale thereof.

Explanation

419. Punishment for cheating by personation:

Whoever cheats by personation shall be punished with imprisonment of either description for a term which may extend to seven years, or with fine, or with both.

489-G. Counterfeiting or using documents resembling Prize Bonds or unauthorized sale thereof.—

Whoever counterfeits or causes to counterfeit, or delivers to any person, or performs any act, or uses for any purpose whatsoever, any document purporting to be, or in any manner resembling, the Prize Bond or Serial Number of Prize Bonds, or sells or promotes the sale of Prize Bonds or Serial Number of Prize Bonds unless authorized by the Federal Government, shall be punished with the imprisonment of either description for a term which may extend to seven years and with fine.

2. Prevention of Corruption Act, 1947;

Relevant Section	Description
5	Criminal misconduct.
5B	Declaration of Assets.
5C	Possession of Property disproportionate to known sources of income.

Explanation

5. Criminal misconduct: (1) A public servant is said to commit the offence of criminal misconduct.

(a) if he accepts or obtains, or agrees to accept or attempts to obtain from any person for himself or for any other person, any gratification (other than legal remuneration) as a motive or reward such as is mentioned in Section 161 of the Pakistan Penal Code, or

(b) if he accepts or agrees to accept or attempts to obtain for himself or for any other person, any valuable thing without consideration or for a consideration which he knows to be inadequate, from any person whom he knows to have been, or to be, or to be likely to be concerned in any proceeding or business, transacted by him, or having any connection with the official functions of himself or of any public servant to whom he is subordinate, or from any person whom he is subordinate, or from any person whom he knows to be interested in or related to the person so concerned, or

(c) if he dishonestly or fraudulently misappropriates or otherwise converts for his own use any property entrusted to him or under his control as a public servant or allows any person to do so, or

(d) if he, by corrupt or illegal means, or by otherwise abusing his position as public servant, obtains for himself or for any other person any valuable thing or pecuniary advantage, or

(e) If he, or any of his dependants, is in possession, for which the public servant cannot reasonably account of pecuniary resources or of property disproportionate to his known sources of income.

(2) Any public servant who commits or attempts to commit criminal misconduct shall be punishable with imprisonment for a term which may extend to seven years or with fine or with both.

(3) In any trial of an offence punishable under sub-section (2) the fact that the accused person or any other person on his behalf is in possession, for which the accused person cannot satisfactorily account, of pecuniary resources or property disproportionate to his known sources of income may be proved, and on such proof the Court shall presume, unless the contrary is proved, that the accused person is guilty of criminal misconduct and his conviction there for shall not be invalid by reason only that it is based solely on such presumption.

(4) The provisions of this section shall be in addition to, and not in derogation of, any other law for the time being in force, and nothing contained herein shall exempt any public servant from any proceedings which might, apart from this section, be instituted against him.

5-B. Declaration of assets : (1) When the Provincial Government on receipt of information and after making such enquiries as it may deem necessary, is satisfied that there is reason to believe that any public servant or any other person on his behalf is in possession of pecuniary resources or property disproportionate to the known sources of income of such public servant it may, by order, require such public servant or other person to furnish in the prescribed manner and within the prescribed time a statement of his property and liabilities and such information relating thereto as may be required by the order.

(2) If such public servant or person—
(a) upon being so required by an order under sub-section (1) fails to furnish the statement or information or furnishes a statement or information which he knows or has reasonable cause to believe to be false or not true in any material particular, or
(b) makes in any book, account, record, declaration, return or other document, which he is required by an order under sub-section (1) to furnish; any statement which he knows or has reasonable cause to believe to be false or not true in any material particular, he shall be punishable with imprisonment for a term which may extend to three years and shall also be liable to fine.

5-C. Possession of Property disproportionate to known sources of income :

(1) Any public servant who has in his possession any property, movable or immovable either in his own name or in the name of any other person, which there is reason to believe to have been acquired by improper means and which is proved to be disproportionate to the known sources of income of such public servant shall, if he fails to account for such possession to the satisfaction of the Court trying him, be punishable with imprisonment for a term which may extend to seven years and with fine, and on such conviction the property found to be disproportionate to the known sources of income of the accused by the Court shall be forfeited to the Provincial Government.

(2) The reference in sub-section (1) to property acquired by improper means shall be construed as reference to property acquired by means which are contrary to law or to any rule or instrument having the force of law or by coercion, undue influence, fraud or misrepresentation within the meaning of the Contract Act, 1872.

3. Foreign Exchange Regulations Act, 1947;

<u>Relevant Section</u>	<u>Description</u>
Subsection (1) of section 4 read with section 23.	4. Restrictions on dealing in Foreign Exchange 23. Penalty and procedure.

Section 5 read with section 23	5. Restrictions on payments. 23. Penalty and procedure
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Explanation

4. Restrictions on dealing in Foreign Exchange.

(1) Except with the previous general or special permission of the State Bank, no person other than an authorised dealer shall in Pakistan, and no person resident in Pakistan other than an authorised dealer shall outside Pakistan, buy or borrow from, or sell or lend to, or exchange with, any person not being an authorised dealer, any foreign exchange.

5. Restrictions on payments.

(1) Save as may be provided in and in accordance with any general or special exemption from the provisions of this sub-section which may be granted conditionally or unconditionally by the State Bank, no person in, or resident in, Pakistan shall—

- (a) make any payment to or for the credit of any person resident outside Pakistan;
- (b) draw, issue or negotiate any bill of exchange or promissory note or acknowledge any debt, so that a right (whether actual or contingent) to receive a payment is created or transferred in favour of any person resident outside Pakistan;
- (c) make any payment to or for the credit of any person by order or on behalf of any person resident outside Pakistan;
- (d) place any sum to the credit of any person resident outside Pakistan;
- (e) make any payment to or for the credit of any person as consideration for or in association with—
 - (i) the receipt by any person of a payment or the acquisition by any person of property outside Pakistan;
 - (ii) the creation or transfer in favour of any person of a right whether actual or contingent to receive a payment or acquire property outside Pakistan;
- (f) draw, issue or negotiate any bill of exchange or promissory note, transfer any security or acknowledge any debt, so that a right (whether actual or contingent) to receive a payment is created or transferred in favour of any person as consideration for or in association with any matter referred to in clause (e).

(2) Nothing in sub-section (1) shall render unlawful—

- (a) the making of any payment already authorized, either with foreign exchange obtained from an authorized dealer under section 4 or with foreign exchange retained by a person in pursuance of an authorization granted by the State Bank;
- (b) the making of any payment with foreign exchange received by way of salary or payment for services not arising from business in, or anything done while in Pakistan.

(3) Nothing in this section shall restrict the doing by any person of anything within the scope of any authorization or exemption granted under this Act.

(4) For the purposes of this section, "security" also includes coupons or warrants representing dividends or interest and life or endowment insurance policies.

23. Penalty and procedure.

(1) Whoever contravenes, attempts to contravene or abets the contravention of any of the provisions of this Act or of any rule, direction or order made thereunder other than the provisions of section 3, section 3A, section 3AA, section 3B, subsections (2) and (3) of section 4, section 10, sub-section (1) of section 12 and clause (c) of sub-section (1) and sub-section (3) of section 20 or any rule, direction or order made thereunder shall notwithstanding anything contained in the Code of Criminal Procedure, 1898, be tried by a Tribunal constituted by Section 23A, and shall be punishable with imprisonment for a term which may extend to two years or with fine or with both, and

any such Tribunal trying any such contravention may, if it thinks fit, and in addition to any sentence which it may impose for such contravention, direct that any currency, security, gold or silver, or goods or other property in respect of which the contravention has taken place shall be confiscated.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1898, any offense punishable under this section shall be cognizable and nonbailable for such period as the Federal Government may from time to time, by notification in the official Gazette, declare.

(3) A Tribunal shall not take cognizance of any offence punishable under this section and not declared by the Federal Government under the preceding sub-section to be cognizable for the time being or of an offence punishable under Sections 122 and 150 of the Income Tax Ordinance, 1979 (XXXI of 1979), as applied by Section 19, except upon complaint in writing made by a person authorised by the State Bank in this behalf.

Provided that where any such offence is the contravention of any of the provisions of this Act or any rule, direction or order made thereunder which prohibits the doing of an act without permission and is not declared by the Federal Government under the preceding sub-section to be cognizable for the time being, no such complaint shall be made unless the person accused of the offence has been given an opportunity of showing that he had such permission.

(3A) A person authorized under sub-section (3) to make a complaint in writing shall, if he is not already a public servant within the meaning of section 21 of the Pakistan Penal Code (Act XLV of 1860), be deemed to be a public servant within the meaning of that section.

(4) Where the person guilty of an offense under this Act is a company or other body corporate every director, manager, secretary and other officer thereof who is knowingly a party to the offence shall also be guilty of the same offense and liable to the same punishment.

4. Customs Act, 1969:

Relevant Section	Description
Section 2(s) read with clause 8, 89 of section 156(1)	2(s) "smuggle"
Section 15 read with clause 8, 9, 89 & 90 of section 156 (1)	15. Prohibitions
Section 16 read with clause 8, 9, 89 & 90 of section 156 (1)	16. Power to prohibit or restrict importation and exportation of goods
Section 32 read with clause 14 of section 156 (1)	32. [False] statement, error, etc.-
Section 32A read with clause 14A of section 156(1)	32A. Fiscal fraud.-
Section 139 read with clause 70 of section 156 (1)	139. Declaration by passenger or crew of baggage.-

Section –VI The Customs Act, 1969 (IV of 1969)

Section 2(s) read with clause 8, 89 of section 156(1)

2(s) "smuggle" means to bring into or take out of Pakistan, in breach of any prohibition or restriction for the time being in force, or evading payment of customs-duties or taxes leviable thereon,- 27[(i) gold bullion, silver bullion, platinum, palladium, radium, precious stones, antiques, currency, narcotics and narcotic and psychotropic substances; or (ii) manufactures of gold or silver or platinum or palladium or radium or precious stones, and any

other goods notified by the Federal Government in the official Gazette, which, in each case, exceed 28[fifty thousand rupees] in value; or (iii) any goods by any route other than a route declared under section 9 or 10 or from any place other than a customs-station.] and includes an attempt, abetment or connivance of so bringing in or taking out of such goods; and all cognate words and expressions shall be construed accordingly;]

Section 15 read with clause 8, 9, 89 & 90 of section 156 (1)

Section 15

Prohibitions.- No goods specified in the following clauses shall be brought into or taken out of Pakistan, namely:-

- (a) counterfeit coins, forged or counterfeit currency notes, and any other counterfeit product;
- (b) any obscene book, pamphlet, paper, drawing, painting, representation, figure, photograph, film, or, article, video or audio recording, CDs or recording on any other media;
- (c) goods having applied thereto a counterfeit trade mark within the meaning of the Pakistan Penal Code, 1860 (Act XLV of 1860), or a false trade description within the meaning of the Copyright Ordinance, 1962 (XXXIV of 1962), the Registered Layout-Designs of Integrated Circuits Ordinance, 2000 (XLIX of 2000), the Registered Designs Ordinance, 2000 (XLV of 2000), the Patents Ordinance, 2000 (LXI of 2000), and the Trade Marks Ordinance, 2001 (XIX of 2001), or goods imported or exported in contravention of the provisions of section 32;
- (d) goods made or produced outside Pakistan and having applied thereto any name or trade mark, being or purporting to be the name or trade mark of any manufacturer, dealer or trader in Pakistan, unless,-
 - (i) the name or trade mark is, as to every application thereof, accompanied by a definite indication of the goods having been made or produced in a place outside Pakistan; and
 - (ii) the country in which that place is situated is in that indication shown in letters as large and conspicuous as any letter in the name or trade mark, and in the same language and character as the name or trade mark;
- (e) goods involving infringement of copyright, layout-design of integrated circuits, industrial designs, patents within the meaning of the Copyright Ordinance, 1962 (XXXIV of 1962), the Registered Designs Ordinance, 2000 (XLV of 2000), and the Patents Ordinance, 2000 (LXI of 2000), respectively; and
- (f) goods made or produced outside Pakistan and intended for sale, and having applied thereto, a design in which copyright exists under the Copyright Ordinance, 1962 (XXXIV of 1962), the Registered Layout – Designs of Integrated Circuits Ordinance, 2000 (XLV of 2000), the Patents Ordinance, 2000 (LXI of 2000), and the Trade Marks Ordinance, 2001 (XIX of 2001), in respect of the class to which the goods belong or any fraudulent or obvious imitation of such design, patent, copyright except when the application of such design has been made with the licence or written consent of the registered proprietor, right holder of the design, patent or copyright, as the case may be.

16. Power to prohibit or restrict importation and exportation of goods.- The 2 [Federal Government] may, from time to time, by notification in the official Gazette, prohibit or restrict the bringing into or taking out of Pakistan of any goods of specified description by air, sea or land

32. [False] statement, error, etc.- (1) If any person, in connection with any matter of customs,-

- (a) makes or signs or causes to be made or signed, or delivers or causes to be delivered to an officer of customs any declaration, notice, certificate or other document whatsoever, or
- (b) makes any statement in answer to any question put to him by an officer of customs which he is required by or under this Act to answer,

[knowing or having reason to believe that such document or statement is false] in any material particular, he shall be guilty of an offence under this section.

(2) Where, by reason of any such document or statement as aforesaid or by reason of some collusion, any duty or charge has not been levied or has been shortlevied or has been erroneously refunded, the person liable to pay any amount on that account shall be served with a notice within [five] years of the relevant date, requiring him to show cause why he should not pay the amount specified in the notice.

(3) Where, by reason of any inadvertence, error or misconstruction, any duty or charge has not been levied or has been short-levied or has been erroneously refunded, the person liable to pay any amount on that account shall be served with a notice within [three years] of the relevant date requiring him to show cause why he should not pay the amount specified in the notice [:].

[Provided that if the recoverable amount in a case is less than one hundred rupees, the Customs authorities shall not initiate the aforesaid action.]

(3A) Notwithstanding anything contained in sub-section (3), where any duty or charge has not been levied or has been short-levied or has been erroneously refunded and this is discovered as a result of an audit or examination of an importer's accounts or by any means other than an examination of the documents provided by the importer at the time the goods were imported, the person liable to pay any amount on that account shall be served with a notice within three years of the relevant date requiring him to show cause why he should not pay the amount specified in the notice [:].

[Provided that if the recoverable amount in a case is less than one hundred rupees, the Customs authorities shall not initiate the aforesaid action.]

(4) The appropriate officer, after considering the representation, if any, of such person as is referred to in sub-section (2) or sub-section (3) shall determine [any amount payable by him under this Act,] which shall in no case exceed the amount specified in the notice, and such person shall pay the amount so determined.

(5) For the purposes of this section, the expression "relevant date" means –

(a) in any case where duty is not levied, the date on which an order for the clearance of goods is made; (b) in a case where duty is provisionally assessed under section 81, the date of adjustment of duty after its final assessment;

(c) in a case where duty has been erroneously refunded, the date of its refund;

(d) in any other case, the date of payment of duty or charge.

32A. Fiscal fraud.- (1) If any person, in connection with any matter related to customs-

(a) causes to submit documents including those filed electronically, which are concocted, altered, mutilated, false, forged, tempered or counterfeit to a functionary of customs;

(b) declares in the 82[goods declaration] electronically filed customs declaration, the name and address of any exporter or importer which is physically non-existent at the given address;

(c) declares in the 82[goods declaration] electronically filed customs declaration, an untrue information regarding description, quantity, quality, origin and value of goods;

(d) alters, mutilates or suppresses any finding of the customs functionary on any document or in the computerized record; or

(e) attempts, abets or connives in any action mentioned in clauses (a), (b), (c) and (d) above, he shall be guilty of an offence under this section.

(2) Where, by any reason as referred to in sub-section (1) as aforesaid, any duty or tax charged or fee or fine and penalty levied under any provision of law has not been levied or has been short levied or has been refunded, the person liable to pay any amount on that account shall be served with a notice within a period of 180 days of the date of detection of such custom duty and tax fraud, requiring him to show cause as to why he should not pay the amount specified in the notice along with any other amount imposed as fine or penalty under the provisions of this Act.

(3) The appropriate Adjudicating Officer, after considering the written or verbal representation of such person, may determine the amount of duty or tax chargeable or fee payable by such person which shall in no case exceed the amount specified in the notice and such person shall pay the amount so determined besides the fine or penalty or both.]

32B. Compounding of offence.- Notwithstanding anything contained in section 32 and 32A or any other provision of this Act, where any person has committed a duty or tax fraud, the Collector may, with the prior approval of the Board, either before or after the institution of any proceedings for recovery of duty or tax, compound the offence if such person pays the amount of duty or tax due along with penalty as is determined under the provisions of this Act.]

139. Declaration by passenger or crew of baggage.- The owner of any baggage whether a passenger or a member of the crew shall, for the purposes of clearing it, make a verbal or written declaration of its contents in such manner as may be prescribed by rules to the appropriate officer and shall answer such questions as the said officer may put to him with respect to his baggage and any article contained therein or carried with him and shall produce such baggage and any such articles for examination [:]

[Provided that where the Customs Computerized System is operational, all declarations and communications shall be electronic.]

156. Punishment for offences.- (1) Whoever commits any offence described in column 1 of the Table below shall, in addition to and not in derogation of any punishment to which he may be liable under any other law, be liable to the punishment mentioned against that offence in column 2 thereof:-

Clause	Offences	Penalties	Section of this Act to which offence has reference.
	(1)	(2)	(3)
[8.(i)]	If any goods be smuggled into or out of Pakistan,	Such goods shall be liable to confiscation and any person concerned in the offence shall be liable to a penalty not exceeding ten times the value of the goods; and upon conviction by a [Special Judge] he shall further be liable to imprisonment for a term not exceeding ⁵ [fourteen years] and to fine not exceeding ten times the value of such goods, and, if the [Special Judge] in his discretion so orders, also to whipping [:] [Provided that, in the case of such goods ⁸ [*****] as may be notified by the Federal Government in the official Gazette, the sentence of imprisonment shall not be less than five years and the person convicted shall also be awarded sentence of whipping, and the whole or any part of his property shall also be liable to confiscation in accordance with the provisions of the Prevention of Smuggling Act,1977.]	General
[(ii)]	If the smuggled goods are narcotics drugs, psychotropic substances or controlled substances,-	such goods shall be liable to confiscation and any person concerned in the offence shall be liable to –	

Clause	Offences	Penalties	Section of this Act to which offence has reference.
	(a) if the quantity of the narcotic drug, psychotropic substance of controlled substance is one hundred grams or less;	imprisonment which may extend to two years, or with fine, or with both;	
	(b) if the quantity of the narcotic drug, psychotropic substance or controlled substance exceeds one hundred grams but does not exceed one kilogram;	imprisonment which may extend to seven years and shall also be liable to fine;	
	(c) if the quantity of the narcotic drug, psychotropic substance or controlled substance exceeds the limit specified in clause (b);	death or imprisonment for life, or imprisonment for a term which may extend to fourteen years and shall also be liable to fine which may be upto one million rupees; Provided that, if the quantity exceeds ten kilograms the punishment shall not be less than imprisonment for life.	
9	(i) If any goods, not being goods referred to in clause 8, are imported into or exported from Pakistan evading payment of leviable customs-duties or in violation of any prohibition or restriction on the importation or exportation of such goods imposed by or under this Act or any other law; or	Such goods shall be liable to confiscation; and any person concerned in the offence shall also be liable to a penalty not exceeding two times the value of the goods.	15 & 16
	(ii) If any attempt be made so to import or export any such goods; or		
	(iii) If any such goods be found in any package produced before any officer of customs as containing no such goods; or		
	(iv) If any such goods be found either before or after landing or shipment to have been concealed in any manner on board any conveyance within the limits of any seaport, airport, railway station or other place where conveyances are ordinarily loaded or unloaded; or		
	(v) If any such goods, the exportation of which is prohibited or restricted as aforesaid be brought within a customs area or to a wharf, with the intention of loading them on a conveyance for exportation in violation of such		

Clause	Offences	Penalties	Section of this Act to which offence has reference.
	prohibition or restriction,		
14	If any person commits an offence under section 32,	such person shall be liable to a penalty not exceeding 1[twenty five thousand] rupees or three times the value of the goods in respect of which such offence is committed, whichever be greater; and such goods shall also be liable to confiscation 13[;] 14[and upon conviction by a 15[Special Judge] he shall further be liable to imprisonment for a term not exceeding three years, or to fine, or to both].	32
14A	If any person commits an offence Under section 32A.	such person shall be liable to a penalty not exceeding three times the value of the goods in respect of which such offence is committed and such goods shall also be liable to confiscation and upon conviction by a Special Judge he shall further be liable to imprisonment for a term which may extend to ten years but shall not be less than five years or to fine, or to both.	32A
70	If the owner of any baggage fails to make correct declaration of its contents or refuses to answer any questions put to him by the appropriate officer with respect to his baggage or any of its contents including articles carried with him or fails to produce the baggage or any such article for examination,	such owner shall be liable to a penalty not exceeding three times the value of the goods, in respect of which no declaration or incorrect declaration has been made or in respect of which he refuses or fails to answer any question, or which he fails to produce for examination; and such goods shall also be liable to confiscation.	139
89	(i) If any person without lawful excuse, the proof of which shall be on such person, acquires possession of, or is in any way concerned in carrying, removing, depositing, harbouring, keeping or concealing, or in any manner dealing with smuggled goods or any goods in respect to which there may be reasonable suspicion that they are smuggled goods;	[such goods shall be liable to confiscation and any person concerned in the offence shall be liable to a penalty not exceeding ten times the value of the goods; and, where the value of such goods exceeds 55[one hundred thousand rupees], he shall further be liable, upon conviction by a Special Judge, to imprisonment for a term not exceeding six years and to a fine not exceeding ten times the value of such goods and if the Special Judge in his decision so orders also to whipping.]	General
ii	If the smuggled goods are narcotics drugs, psychotropic substances or	Such goods shall be liable to confiscation and any person concerned in the offence shall be	

Clause	Offences	Penalties	Section of this Act to which offence has reference.
	controlled substances,-	liable to --	
	(a) if the quantity of the narcotic drug, psychotropic substance of controlled substance is one hundred grams or less;	imprisonment which may extend to two years, or with fine, or with both;	
	(b) if any quantity of the narcotic drug, psychotropic substance or controlled substance exceeds one hundred grams but does not exceed one kilogram;	imprisonment which may extend to seven years and shall also be liable to fine;	
	(c) if the quantity of the narcotic drug, psychotropic substance or controlled substance exceeds the limits specified in clause (b)	death or imprisonment for life, or imprisonment for a term which may extend to fourteen years and shall also be liable to fine which may be up to one million rupees; Provided that, if the quantity exceeds ten kilograms the punishment shall not be less than imprisonment for life.]	
	Provided that if the smuggled goods be gold bullion or silver bullion the onus of proving the plea, that such bullion was obtained by processing or other means employed in Pakistan and not by smuggling shall be upon the person taking that plea,		
90	If any person, without lawful excuse the proof of which shall be on such person, acquires possession of, or is in any way concerned in carrying, removing, depositing, harbouring, keeping or concealing or in any manner dealing with any goods, not being goods referred to in clause 89, which have been unlawfully removed from a warehouse, or which are chargeable with a duty which has not been paid, or with respect to the importation or exportation of which there is a reasonable suspicion that any prohibition or restriction for the time being in force under or by virtue of this Act has been contravened, or if any person is in relation to any such goods in any way, without lawful excuse, the proof of which shall be on such person, concerned in any	such goods shall be liable to confiscation, and any person concerned shall also be liable to a penalty not exceeding ten times the value of the goods.	General

Clause	Offences	Penalties	Section of this Act to which offence has reference.
	fraudulent evasion or attempt at evasion of any duty chargeable thereon, or of any such prohibition or restriction as aforesaid or of any provision of this Act applicable to those goods,		

5. The Securities Act, 2015;

Relevant Sections	Description
Section 128 read with Section 159	Section 128. Prohibition of insider trading Section 159. Offences and Penalties
Section 133 with Section 159	Section 133 (Market Manipulation) Section 159. Offences and Penalties

Explanation

128. Prohibition of insider trading.—

(1) No person shall indulge in insider trading and any contravention of this section shall be an offence.

(2) Insider trading shall include,

- (a) an insider person transacting any deal, directly or indirectly, using inside information involving listed securities to which the inside information pertains or using others to transact such deals;
- (b) any other person to whom inside information has been passed or disclosed by an insider person transacting any deal, directly or indirectly, using inside information involving listed securities to which the inside information pertains or using others to transact such deals;
- (c) transaction by any person as specified in clauses (a) and (b) or any other person who knows or ought to have known under normal and reasonable circumstances, that the information possessed and used for transacting any deal is inside information; or
- (d) an insider person passing on inside information to any other person, or suggesting or recommending to another person to engage in or dealing in such listed securities with or without the inside information being disclosed to the person who has dealt in such securities.

(3) The following shall not be deemed as insider trading:

- (a) any transaction performed under an agreement that was concluded before the time of gaining access to inside information; or
- (b) the disclosure of inside information by an insider person as required under law.

(4) No contract shall be void or unenforceable by reason only of an offence under this section.

133. Market manipulation.—

(1) A person shall commit an offence, if—

- (a) he places an order, enters into or carries out, directly or indirectly any transactions, in the listed securities of a company that by themselves or in conjunction with any other transaction
 - (i) increase or are likely to increase, their price with the intention of inducing another person to purchase or subscribe for or to refrain from selling securities issued by the same company or a related company;
 - (ii) reduce or are likely to reduce, their price with the intention of inducing another person to sell or to refrain from purchasing, securities issued by the same company or a related company;
 - (iii) stabilise or are likely to stabilise, their price with the intention of inducing another person to sell, purchase or subscribe for or to refrain from selling, purchasing or subscribing for, securities issued by the same company or by a related company; or
 - (iv) has the effect of misleading investors who trade in securities on the basis of closing prices.
- (b) he, for the purposes of inducing, dissuading, effecting, preventing or in any manner influencing or turning to his advantage the sale or purchase of any security, directly or indirectly, does any act or

practice or engage in a course of business, or omit to do any act which operates or would operate as a fraud, deceit or manipulation upon any person, in particular-

- (i) makes any fictitious quotation;
- (ii) creates a false and misleading appearance of active trading in any security;
- (iii) effects any transaction in such security which involves no change in its beneficial ownership;
- (iv) enters into an order or orders for the purchase and sale of security which will ultimately cancel out each other and will not result in any change in the beneficial ownership of such security;
- (vi) directly or indirectly, effects a series of transactions in any security creating the appearance of active trading therein or of raising of price for the purpose of inducing its purchase by others or depressing its price for the purpose of inducing its sale by others;
- (vii) being a director or an officer of the issuer of a listed equity security or a beneficial owner of not less than ten per cent of such security who is in possession of material facts, omits to disclose to the public through securities exchange any such facts while buying or selling such security.

159. Offences and penalties.—(1) Any person who commits an offence under section 128 (insider trading) shall be liable—

(a) in the case of an individual, to imprisonment of either description for a term which may extend to three years or to a fine which may extend to two hundred million rupees or three times the amount of gain made or loss avoided by such person, or loss suffered by another person, whichever amount is higher; and

(b) in the case of a company, to a fine which may extend to three hundred million rupees or three times the amount of gain made or loss avoided by such company, or loss suffered by another person, whichever amount is higher.

(2) Any person who commits an offence under sections 132,133,134, 135 and 136, Part XI (other market abuses) shall be liable—

(a) in case of an individual, to imprisonment of either description for a term which may extend to three years or a fine not exceeding two hundred million rupees, or both; and

(b) in the case of a company, to a fine which may extend to three hundred million rupees.

(3) Any person who contravenes the provisions of sections 3 and 22 and sub-section (1) of section 64 (operating without a licence or other authority) shall be liable to pay to the Commission, by way of penalty,—

(a) in the case of an individual, such sum which may extend to hundred million rupees;

(b) in the case of a company, such sum which may extend to two hundred million rupees; and

(c) in the case of a continuing offence, a further sum which may extend to two hundred thousand rupees for every day or part thereof during which the offence continues.

(4) Any person who commits an offence under section 92 (criminal liability for defective prospectus) shall be liable to imprisonment of either description for a term which may extend to three years or with fine not exceeding one hundred million rupees or with both unless he proves that either the statement was immaterial or that he had reasonable ground to believe and did up to the time of issue of prospectus, that the statement was true.

(5) Notwithstanding sub-sections (1), (2), (3) and (4), any person who—

(a) contravenes or fails to comply with any provision of this Act, or of any rules or of any regulations made under this Act;

(b) furnishes or produces any return, document or statement for the purposes of this Act or any requirement imposed under the provisions of this Act or of any rules or regulations made under this Act, the contents of which, to his acknowledge, are untrue, incorrect or misleading; or

(c) obstructs or contravenes or does not comply with any order or direction of the Commission, including an employee of the Commission, or an authorized person or investigator, in the performance of his duties under this Act,

shall be liable to pay by way of penalty—

(i) in the case of an individual, such sum which may extend to one hundred million rupees; and

(ii) in the case of a company, such sum which may extend to two hundred million rupees and

(6) Where the offence under sub-section (5) involved fraud, deceit or deliberate disregard of the regulatory requirement such person shall be liable to pay by way of penalty—

- (a) in the case of an individual, such sum which may extend to one hundred million rupees; and
- (b) in the case of a company, such sum which may extend to two hundred million rupees;

(7) Where the offence under sub-section (5) involved fraud, deceit or deliberate disregard of the regulatory requirement and such offence resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the offence such person shall be liable to pay by way of penalty,—

- (a) in the case of an individual, such sum which may extend to one hundred million rupees or twice the amount of loss caused or gain made whichever is higher; and
- (b) in the case of a company, such sum which may extend to two hundred million rupees or twice the amount of loss caused or gain made whichever is higher.

(8) Notwithstanding sub-sections (1), (2), (3), (4), (5), (6) and (7), the Commission may impose an additional penalty, not exceeding the amount of loss caused, on an individual or a company if the individual or the company has failed to comply with any provision of this Act, or of any rules or of any regulations made under this Act or direction given by the Commission under this Act and the non-compliance has resulted in a loss to any other person.

6. The Sales Tax Act, 1990:

Relevant Section	Description
33 (entries 11 and 13 of Section 33 of Table)	Offences and Penalties

Explanation

[33. Offences and penalties.— Whoever commits any offence described in column (1) of the Table below shall, in addition to and not in derogation of any punishment to which he may be liable under any other law, be liable to the penalty mentioned against that offence in column (2) thereof: –

11. Any person who, – (a) submits a false or forged document to any ¹ [officer of ² [Inland revenue]; or (b) destroys, alters, mutilates or falsifies the records including a sales tax invoice; or (c) Knowingly or fraudulently makes false statement, false declaration, false representation, false personification, gives any false information or issues	Such person shall pay a penalty of twenty five thousand rupees or one hundred <i>per cent</i> of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to three years, or with fine which may extend to an amount equal to the amount of tax involved, or with both.	2(37) and General
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or uses a document which is forged or false.		
13. Any person who commits, causes to commit or attempts to commit the tax fraud, or abets or connives in commissioning of tax fraud.	Such person shall pay a penalty of twenty five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with fine which may extend to an amount equal to the loss of tax involved, or with both.	2(37)

7. The Federal Excise Act, 2005

Relevant Section	Description
19(3)	Offences, penalties, fines and allied matters

Explanation

19. Offences, penalties, fines and allied matters

(3) Any person who,— (a) illegally removes, stores, keeps, or withdraws or in any way assists or is concerned in the illegal removal or withdrawal of any goods in the manner other than the manner prescribed under this Act or rules made there under; (b) is in any way concerned in conveying, removing, depositing or dealing with any goods with intent to defraud the Government of any duty of excise due thereon, or to violate any of the provisions of this Act or rules made there under; (c) is in any way concerned in any fraudulent evasion or attempt at fraudulent evasion of any duty of excise; (d) claims, takes or avails adjustment of duty not admissible under this Act or the rules made there under; and (e) is in any way concerned in the manufacture of any dutiable goods in contravention of the provisions of this Act or rules made there under;

- shall be guilty of an offence and for each such offence, shall be liable to fine which may extend to fifty thousand rupees or five times of the duty involved, whichever is higher and to punishment with imprisonment which may extend to five years or both.

8. Income Tax Ordinance, 2001.

Relevant Section	Description
192	Prosecution for false statement in verification- where tax sought to be evaded is ten million rupees or more
192A	Prosecution for concealment of Income-where tax sought to be evaded is ten million rupees or more
194	Prosecution for improper use of National Tax Number [Certificate]- where tax sought to be evaded is ten million rupees or more
199	Prosecution for abetment – where tax sought to be evaded is ten million rupees or more.

Explanation

192. Prosecution for false statement in verification. — Any person who makes a statement in any verification in any return or other document furnished under this Ordinance which is false and which the person knows or believes to be false, or does not believe to be true, the person shall commit an offence punishable on conviction with a fine [upto hundred thousand rupees] or imprisonment for a term not exceeding three years, or both.

[192A. Prosecution for concealment of income.— (1) Where, in the course of any proceedings under this Ordinance, any person has either in the said proceedings or in any earlier proceedings concealed income or furnished inaccurate particulars of such income and revenue impact of such concealment or furnishing of inaccurate particulars of such income is five hundred thousand rupees or more shall commit an offence punishable on conviction with imprisonment upto two years or with fine or both.

(2) For the purposes of sub-section (1), concealment of income or the

(a) the suppression of any income or amount chargeable to tax;

(b) the claiming of any deduction for any expenditure not actually incurred; or

(c) any act referred to in sub-section (1) of section 111.]

194. Prosecution for improper use of National Tax Number [Certificate].— A person who knowingly or recklessly uses a false National Tax Number [Certificate] including the National Tax Number [Certificate] of another person on a return or other document prescribed or used for the purposes of this Ordinance shall commit an offence punishable with a fine [not exceeding fifty thousand rupees] or imprisonment for a term not exceeding two years, or both.

199. Prosecution for abetment. — Where a person [knowingly and wilfully] aids, abets, assists, incites or induces another person to commit an offence under this Ordinance, the first-mentioned person shall commit an offence punishable on conviction with a fine or imprisonment for a term not exceeding three years, or both.