

Guidelines on Compliance of Government of Pakistan's Notifications issued under United Nations Security Council (UNSC) Resolutions

1. The UNSC's relevant Committee established in pursuance of Resolution 1267 (1999) and subsequent resolutions approves the addition, amendments and deletion of individuals and entities subject to the assets freeze, travel ban and arms embargo as set out in the aforementioned Security Council resolutions adopted under Chapter VII of the Charter of the United Nations.
2. The Government of Pakistan under the United Nations (Security Council) Act, 1948 gives effect to the decisions of UNSC whenever the Consolidated List maintained by the Sanctions Committee is updated. The Ministry of Foreign Affairs issues Statutory Regulatory Orders (SROs) to provide legal cover for implementing sanction measures under Security Council Resolutions. These SROs in respect of designated¹ individuals/ entities require assets freeze, travel ban and arms embargo in accordance with the Security Council Resolutions.
3. Similarly, for implementing sanction measures under Security Council Resolution 1373(2001), the Ministry of Interior issues Notifications of proscribed individuals /entities pursuant to the Anti-Terrorism Act, 1997.
4. State Bank of Pakistan circulates the subject SROs/Notifications to its regulated entities for taking necessary action. These SROs/Notifications, in addition to other requirements, require banks/DFIs/MFBs to:

“Freeze without delay the bank accounts, funds and other financial assets or economic resources of these individuals, groups, undertakings and entities, including funds derived from property owned or controlled, directly or indirectly by a proscribed²/ designated individual/ entity, or by persons acting on their behalf or at their direction, and ensure that neither these nor any other funds, financial assets or economic resources are made available, directly or indirectly for such persons' benefit”

SBP also advises its regulated entities to report details of such frozen assets and other action taken in compliance with the relevant SRO/Notification to SBP within the stipulated time.

¹ Designated under the United Nations (Security Council) Act, 1948

² Proscribed under the Anti-Terrorism Act, 1997

5. The Consolidated Lists available at the UNSC Sanctions Committee's website, are regularly updated and can be accessed at the following links:

- (a) https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list
- (b) <https://www.un.org/sc/suborg/en/sanctions/1988/materials>

All banks/DFIs/MFBs are advised to regularly access the aforesaid Consolidated Lists to ensure compliance with measures in line with the UNSC resolutions. The updated Consolidated Lists should be accessible down the line in each and every branch or business location. SBP during the course of inspection would check the availability of these updated lists in banks/DFIs/MFBs and action taken there on.

6. Banks/DFIs/MFBs should not provide any banking services to proscribed/ designated entities and persons or their associated persons as required under Anti Money Laundering and Combating the Financing of Terrorism (AML/CFT) Regulations. For this purpose, necessary measures should be taken including but not limited to the following controls:

- (a) In case of entity accounts, it should be ensured that their beneficial owners, directors, members, trustees and authorized signatories are not linked with any proscribed/ designated entities and persons, whether under the same name or with a different name.
- (b) The association of individuals/ entities with proscribed/ designated entities and persons may be determined on the basis of appropriate screening of sanctions lists/ watch lists, publically known information or linkages on the basis of online NTN verification, government or regulatory sources, reliable media information, etc.
- (c) While opening new accounts or extending services to customers, any similarity between the identifying information of the customer and that of proscribed/ designated entities and persons including national identification number, address, etc may be viewed with suspicion and properly investigated for necessary action as per requirements.
- (d) Banks/DFIs/MFBs should monitor their relationships on a continuous basis and ensure that no such relationship exists. If any such relationship is found, immediate action shall be taken as per law, including reporting to the Financial Monitoring Unit (FMU).

7. Further, the Government of Pakistan has already prescribed penalty up to Rs. 10 million for non-compliance of sanctions regime under the UN (Security Council) Act, 1948 and the Anti-Terrorism Act, 1997.
8. The relevant UNSC resolutions permit deposits (credits) in frozen accounts without changing status of the accounts. For further information banks/DFIs/MFBs may access relevant information/ documents from the UNSC website.
9. No service charges shall be deducted from such frozen accounts and no such account should be treated as unclaimed deposit for surrendering to SBP. Banks/DFIs/MFBs may seek guidance from Government of Pakistan through SBP regarding any queries on the subject including necessary withdrawals from frozen accounts.
10. Banks/DFIs/MFBs may educate their customers that in case of any wrongful or inadvertent freezing, they may apply in writing for de-listing to Government of Pakistan through relevant Ministry or to the UN's Ombudsperson, as the case may be.
