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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 15th December, 2015

No. F. 22(36)/2015-Legis.—The following Act of *Majlis-e-Shoora* (Parliament) received the assent of the President on the 10th December, 2015 and is hereby published for general information:—

Act No. XXIII OF 2015

An Act to amend the Anti-Money Laundering, Act, 2010

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

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Anti-Money Laundering (Amendment) Act, 2015.

(921)

(2) It shall come into force at once.

2. **Amendment of section 2, Act VII of 2010.**—In the Anti-Money Laundering Act, 2010 (VII of 2010), hereinafter referred to as the said Act, in section 2,—

- (a) clause (g) shall be omitted;
- (b) in clause (j), for the words “a predicate offence” the words “an offence under this Act” shall be substituted;
- (c) after clause (r), the following new clause shall be inserted, namely:—

“(ra) “property involved in money laundering” means proceeds of crime, property derived or obtained directly or indirectly from the offence of money laundering and property used or intended to be used in commission of the offence of money laundering, a predicate offence or a foreign serious offence;” and

- (d) in clause (y) for the words “Transactions” the word “Transaction” shall be substituted.

3. **Amendment of section 3, Act VII of 2010.**—In the said Act, in section 3, after clause (d),—

- (a) for the word “Explanation” the expression “Explanation-I” shall be substituted; and
- (b) after the Explanation-I, substituted as aforesaid, the following new explanation shall be added, namely:—

“*Explanation-II.*—For the purposes of proving an offence under this section, the conviction of an accused for the respective predicate offence shall not be required.”

4. **Amendment of section 4, Act VII of 2010.**—In the said Act, in section 4, for the words “the money laundering”, the words “money laundering or property of corresponding value” shall be substituted.

5. **Amendment of section 5, Act VII of 2010.**—In the said Act, in section 5,—

- (a) in sub-section (1), clause (g) shall be omitted;

- (b) in sub-section (3),—
- (i) after the word “shall”, occurring for the first time, the words “hold its meetings not less than twice a year and shall be responsible to” shall be inserted;
- (ii) for clause (a), the following shall be substituted, namely:—
- “(a) develop, review and oversee the implementation of national strategy to fight money laundering and financing of terrorism;”; and
- (iii) clauses (g), (h), (i) and (j) shall be omitted;
- (c) after sub-section (3), amended as aforesaid, the following new sub-sections shall be inserted, namely:-
- “(3A) The National Executive Committee may constitute one or more sub-committees to perform such functions as it may deem fit.
- “(3B) The National Executive Committee may delegate or assign its functions to the General Committee or a sub-committee, if need be.”;
- (d) in sub-section (4),-
- (i) after clause (d), the following new clauses shall be inserted, namely:-
- | | |
|---|------------------|
| “(da) Chairman, National Accountability Burea | <i>Member</i> |
| (db) Chairman, Federal Board of Revenue | <i>Member</i> |
| (dc) Director-General, Federal Investigation Agency | <i>Member</i> |
| (dd) Director-General, Anti Narcotics Force | <i>Member</i> ”; |
- (ii) in clause (e), for the word “Governor” the words “Deputy Governor” shall be substituted;
- (iii) in clause (f), for the word “Chairman” the word “Commissioner” shall be substituted; and
- (iv) clause (g) shall be omitted;

- (e) in sub-section (7),—
- (i) in clause (d), the word “and”, occurring at the end, shall be omitted;
 - (ii) after clause (d), amended as aforesaid, the following new clauses shall be inserted, namely:—
 - “(da) approve FMU’s budgetary proposals for achieving the objects of this Act;
 - (db) approve FMU’s staffing requirements, pay, allowances, privileges and compensation packages and other matters incidental thereto; and”;
 - (iii) in clause (e), after the word “assigned” the words “or delegated” shall be inserted; and
- (f) after sub-section (7), amended as aforesaid” the following new sub-section shall be added, namely:—
- “(8) The General Committee may constitute one or more sub-committees to perform such functions as it may deem fit.”.

6. Amendment of section 6, Act VII of 2010.—In the said Act, in section 6,—

- (a) in sub-section (4),—
- (i) in clause (a) for the word “Transactions” the word “Transaction” shall be substituted;
 - (ii) in clause (b), the brackets and words “(with the exception of income tax information)” shall be omitted;
 - (iii) for clause (c), the following shall be substituted, namely:—
 - “(c) to disseminate on a confidential basis, after analyzing the Suspicious Transaction Reports, and CTRs and other record, necessary information or material to the concerned investigating or prosecuting agencies for enquiry or other action under this Act or any other applicable law;”;

(iv) for clause (e), the following shall be substituted, namely:—

“(e) to co-operate with financial intelligence units in other countries and to make reciprocal arrangements after due administrative process to share, request and receive information relating to money laundering and financing of terrorism;”;

(v) for clause (g), the following shall be substituted, namely:-

“(g) to submit to the General Committee and the National Executive Committee the reports including an annual report containing overall analysis of the Suspicious Transaction Reports and CTRs, statistics concerning the investigations and prosecutions conducted in relation to the offences of money laundering and financing of terrorism in Pakistan and recommendations on countermeasures to combat money laundering and financing of terrorism. In this behalf, FMU may call periodic reports from the investigating and prosecuting agencies in such manner as may be specified by FMU ;” ;

(vi) in clause (i), for the words, “in the areas of” a comma and the word “, including” shall be substituted; and

(vii) in clause (j), after the word “to” the words “enter into arrangements with domestic agencies and authorities or” shall be inserted; and

(b) in sub-section (6),—

(i) for the words “any property is” the words “a property is the property” shall be substituted; and

(ii) the words “or financing of terrorism” shall be omitted.

7. Amendment of section 7, Act VII of 2010.—In the said Act, in section 7,—

(a) in the marginal heading, the words “the financial institutions or” shall be omitted;

(b) for sub-section (1), the following shall be substituted, namely:—

“(1) Every reporting entity shall file with FMU, to the extent and in the manner prescribed by the FMU, Report of Suspicious Transaction conducted or attempted by, at or through such reporting entity, if it knows, suspects or has reason to suspect that the transaction or a pattern of transactions of which the transaction is a part,—

- (a) involves funds derived from illegal activities or is intended or conducted in order to hide or disguise proceeds of crime;
- (b) is designed to evade any requirements of this section
- (c) has no apparent lawful purpose after examining the available facts, including the background and possible purpose of the transaction; or
- (d) involves financing of terrorism, including funds collected, provided, used or meant for, or otherwise linked or related to, terrorism, terrorist acts or organizations and individuals concerned with terrorism:

Provided that Suspicious Transaction Report shall be filed by the reporting entity with the FMU immediately, but not later than seven working days after forming that suspicion.”;

- (c) in sub-section (2),-
 - (i) the word “other” shall be omitted;
 - (ii) for the word “or”, occurring for the first time, a comma shall be substituted; and
 - (iii) after the word “authority”, occurring for the first time, the words and commas, “,domestic or foreign,” shall be inserted;
- (d) in sub-section (3), the words “financial institutions or” shall be omitted; and
- (e) in sub-sections (4) and (6), for the word “Transactions” the word “Transaction” shall be substituted; and

- (f) after sub-section (6), amended as aforesaid, the following new sub-section shall be inserted, namely:—

“(7) Every reporting entity shall, in accordance with the regulations issued by relevant regulatory authority of that reporting entity, conduct customer due diligence and maintain record of transactions, account files and documents obtained through such diligence.”

8. Amendment of section 8, Act VII of 2010.—In the said Act, in section 8,—

- (a) in sub-section (1),—
- (i) for the word “The”, occurring for the first time, the word “An” shall be substituted;
 - (ii) after the word “investigating”, occurring for the second time, the word “or prosecuting” shall be inserted;
 - (iii) after the word “attach” the letter “a” shall be inserted; and
 - (iv) for the words “proceeds of crime or” the words “the property” shall be substituted;
- (b) in sub-section (2),—
- (i) for the comma and words “, alongwith the material in his possession” the words “and the report” shall be substituted; and
 - (ii) for the commas and words “, in the manner as may be prescribed, and the concerned investigating agency, shall keep such order and material for such period as may be prescribed” shall be omitted; and
- (c) in sub-section (5), for the commas and words “,within a period of thirty days from such attachment, file a complaint stating the facts of such attachment before the Court” the words “submit to the Court monthly report on the progress made in the investigation” shall be substituted.

9. Amendment of section 9, Act VII of 2010.—In the said Act, in section 9,—

- (a) in sub-section (2),—

- (i) after the word “are” the word “properties” shall be inserted; and
- (ii) in the proviso, after the word “not” the words “a property” shall be inserted;
- (b) in sub-section (3),-
 - (i) for the word “any”, occurring for the first time, the letter “a” shall be substituted;
 - (ii) after the word “is”, occurring for the first time, the word “the property” shall be inserted; and
 - (iii) the expression “Such attachment or retention of the seized property or record shall-” and clauses (a) and (b) shall be omitted;
- (c) after sub-section (3), amended as aforesaid, the following new sub-section shall be inserted, namely:—

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

- (a) continue during the pendency of the proceedings relating to any predicate offence or money laundering before a Court; and
- (b) become final if it is proved in the Court that the property is the property involved in money laundering.”;
- (d) in sub-section (4), after the figure “3”, the letter “A” shall be inserted;
- (e) in sub-section (5),—
 - (i) for the words “of the seized”, the words “or seizure of the” shall be substituted; and
 - (ii) after the figure “3”, the letter “A” shall be inserted;
- (f) in sub-section (6),—

(i) for the words “of the seized” the words “or seizure of the” shall be substituted;

(ii) after the figure “3”, the letter “A” shall be inserted; and

(iii) the commas and the words “,after giving an opportunity of being heard to the person concerned,” shall be omitted; and

(g) in sub-section (7),—

(i) the words and figure “of section 9” shall be omitted; and

(ii) for the word “may” the word “shall” shall be substituted.

10. Amendment of section 10, Act VII of 2010.—In the said Act, in section 10, in the second proviso,—

(a) after the word “be” the word “legally” shall be inserted; and

(b) the words “by a suit for damages” shall be omitted.

11. Amendment of section 13, Act VII of 2010.—In the said Act, in section 13, in sub-section (2),—

(a) the commas and words “, along with the reasons and copies or details of the material in his possession,” shall be omitted;

(b) after the word “investigating”, occurring for the second time, the words “or prosecuting” shall be inserted; and

(c) the words and comma “and shall keep such record and material in such manner and for such period, as may be prescribed” shall be omitted.

12. Amendment of section 14, Act VII of 2010.—In the said Act, in section 14,—

(a) for sub-section (1), the following shall be substituted, namely:—

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

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

- (b) is in possession of any property involved in money laundering; or
- (c) is in possession of any record which may be useful for or relevant to proceedings under this Act, he may either himself, or authorize any officer subordinate to him to,—
 - (i) enter and search any building, place, vessel, vehicle or aircraft where he has reason to suspect that such record or properties are kept;
 - (ii) break open the lock of any door, box, locker, safe, *almirah* or other receptacles for exercising the powers conferred by clause (i) where the keys thereof are not available;
 - (iii) seize any such record or property found as a result of such search;
 - (iv) place marks of identification on such record or make, or cause to be made, extracts or copies therefrom;
 - (v) make a note of any inventory of such record or property; or
 - (vi) examine any person, who is found to be in possession or control of any such record or property, in respect of all matters relevant for the purposes of any investigation under this Act.”;
- (b) in sub-section (2), for the full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:—

“Provided that where immediate action is required, the powers of search and seizure shall be exercisable with prior permission of senior officer of the concerned investigating or prosecuting agency not below the rank of an officer of BS-20.”;
- (c) in sub-section (3),—
 - (a) the commas and the words “,along with the reasons and copies or details of the material in his possession,” shall be omitted;

- (b) after the word “investigating” occurring for the second time, the words “or prosecuting” shall be inserted; and
- (c) the words “and shall keep such record and material in such manner and for such period, as may be prescribed” shall be omitted; and
- (d) sub-section (5) shall be omitted.

13. **Amendment of section 15, Act VII of 2010.**—In the said Act, in section 15,—

- (a) in sub-section (1),
 - (i) for the words “proceeds of crime” the word “property” shall be substituted; and
 - (ii) the commas and the words “,with the prior permission of the Court,” shall be omitted.
- (b) in sub-section (2),—
 - (i) the commas and the words “,along with the reasons and copies or details of the material in his possession,” shall be omitted;
 - (ii) after the word “investigating”, occurring for the second time, the words “or prosecuting” shall be inserted; and
 - (iii) the words “and shall keep such record and material in such manner and for such period, as may be prescribed” shall be omitted;
- (c) sub-sections (3), (4) and (5) shall be omitted;
- (d) in sub-section (7),—
 - (i) the expression “or sub-section (5)” shall be omitted; and
 - (ii) for the words “proceeds of crime” the words “property involved in money laundering and” shall be substituted; and
- (e) sub-section (8) shall be omitted.

14. **Amendment of section 16, Act VII of 2010.**—In the said Act, in section 16, in sub-section (2),—

- (a) for the words “the copies or details of the material in his possession referred to in that sub-section” the words “his report” shall be substituted;
- (b) after the word “investigating”, occurring for the second time, the words “or prosecuting” shall be inserted; and
- (c) the words “in the manner as may be prescribed and such agency shall keep such order and material for such period as may be prescribed” shall be omitted.

15. **Amendment of section 17, Act VII of 2010.**—In the said Act, in section 17,—

- (a) in sub-section (2),—
 - (i) the expression “along with the copies or details of the material in his possession, referred to in sub-section (1)” shall be omitted;
 - (ii) after the word “investigating”, occurring for the second time, the words “or prosecuting” shall be inserted; and
 - (iii) the expression “in the manner as may be prescribed, and such agency shall keep such order and material for such period as may be prescribed” shall be omitted;
- (b) in sub-section (4), after the word “facie” the word “property” shall be inserted; and
- (c) sub-section (5) shall be omitted.

16. **Amendment of section 18, Act VII of 2010.**—In the said Act, in section 18,—

- (a) in sub-section (1), for the word “inquiry”, the word “investigation” shall be substituted; and
- (b) sub-section (5) shall be omitted.

17. **Amendment of section 19, Act VII of 2010.**—In the said Act, in section 19,—

- (a) for the words “relating to any predicate offence” the words “under this Act” shall be substituted; and
- (b) after the word “investigating” the words “or prosecuting” shall be inserted.

18. **Amendment of section 20, Act VII of 2010.**—In the said Act, in section 20, in the proviso, in clause (b), for the word “Colurt” the word “Court” shall be substituted.

19. **Amendment of section 22, Act VII of 2010.**—In the said Act, in section 22, in sub-section (2), in the proviso, for the full stop, at the end, a colon shall be substituted and thereafter the following second proviso shall be added, namely:—

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

20. **Amendment of section 23, Act VII of 2010.**—In the said Act, in section 23, the word “any”, occurring for the second time, shall be omitted.

21. **Amendment of section 24, Act VII of 2010.**—In the said Act, in section 24, in sub-section (1),—

(a) after the word “investigating”, occurring for the first time, the words “or prosecuting” shall be inserted; and

(b) the expression “, as provided in clause (i) of section 2,” shall be omitted.

22. **Substitution of section 25, Act VII of 2010.**—In the said Act, for section 25, the following shall be substituted, namely:—

“25. **Authorities to assist.**—(1) Notwithstanding the provisions of any other law, the officers of the Federal Government, Provincial Government, local authorities and financial institutions shall provide requisite assistance to the investigating officers, FMU and other authorities in the enforcement of this Act.

(2) Whoever willfully fails or refuses to provide the requisite assistance under sub-section (1) shall be guilty of misconduct and shall be proceeded against by its respective department or organization and a report of such proceedings shall be submitted within reasonable time to the concerned investigating or prosecuting agency or FMU or other authority, as the case may be.”

23. **Amendment of section 26, Act VII of 2010.**—In the said Act, in section 26, in sub-section (1), in clause (a), for the words “enforcing the provisions of this Act” the words “the investigation and prosecution of any offence under this Act or under the corresponding law in force in that country” shall be substituted.

24. **Amendment of section 34, Act VII of 2010.**—In the said Act, in section 34, in sub-section (3), the commas and the words “as far as possible,” shall be omitted.

25. **Amendment of section 37, Act VII of 2010.**—In the said Act, in section 37, in sub-sections (1) and (2), after the word and comma “rule”, wherever occurring, the word and comma “regulation.” shall be inserted.

26. **Amendment of section 39, Act VII of 2010.**—In the said Act, in section 39, in sub-section (2), after the expression “(XVIII of 1999)” the words “and any other law relating to predicate offences” shall be inserted.

27. **Substitution of section 41, Act VII of 2010.**—In the said Act, section 41 shall be substituted as under:—

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

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

- (a) sub-sections 11 and 13 of section 33 read with clause (37) of section 2 of the Sales Tax Act, 1990; and
- (b) sub-section (3) of section 19 of the Federal Excise Act, 2005.”

28. **Amendment of section 46, Act VII of 2010.**—In the said Act, in section 46.—

- (a) after the word “the”, occurring for the first time, the words and comma “Federal Government,” shall be inserted; and
- (b) and after the word “Unit” the word “Commission” shall be omitted.

MOHAMMAD RIAZ,
Secretary.