

NATIONAL ASSEMBLY SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE AND ECONOMIC AFFAIRS ON THE ANTI-MONEY LAUNDERING (SECOND AMENDMENT) BILL, 2020

I, the Chairman of Standing Committee on Finance, Revenue and Economic Affairs have the honor to present this report on the Bill further to amend the Anti-Money Laundering Act, 2010 (VII of 2010) [The Anti-Money Laundering (Second Amendment) Bill, 2020] [Government Bill], referred to the Committee on 27th July, 2020.

2. The Committee comprises the following:-

| | | |
|------|--------------------------------------|-------------------|
| 1). | Mr. Faiz Ullah | Chairman |
| 2). | Mr. Jawad Hussain | Member |
| 3). | Mr. Raza Nasrullah | Member |
| 4). | Mr. Aamir Mehmood Kiani | Member |
| 5). | Makhdoom Syed Sami-ul-Hassan Gillani | Member |
| 6). | Sardar Nasrullah Khan Dreshak | Member |
| 7). | Mr. Jamil Ahmed Khan | Member |
| 8). | Mr. Faheem Khan | Member |
| 9). | Mr. Aftab Hussain Siddique | Member |
| 10). | Dr. Ramesh Kumar Vankwani | Member |
| 11). | Mr. Muhammad Israr Tareen | Member |
| 12). | Mr. Ahsan Iqbal Chaudhary | Member |
| 13). | Mr. Qaiser Ahmed Sheikh | Member |
| 14). | Chaudhary Khalid Javed | Member |
| 15). | Mr. Ali Pervaiz | Member |
| 16). | Dr. Aisha Ghaus Pasha | Member |
| 17). | Dr. Nafisa Shah | Member |
| 18). | Syed Naveed Qamar | Member |
| 19). | Ms. Hina Rabbani Khar | Member |
| 20). | Mr. Abdul Wasay | Member |
| 21). | Minister In-charge | Ex-officio Member |

3. The Committee considered the Bill as introduced in the Assembly placed at **Annexure-'A'**, in its meetings held on 28th July, 7th August, 10th August, 2020 and proposed the following amendments, therein:-

CLAUSE 2

In clause 2, in section 2, in sub-section (xii), in paragraph (b), the words "which shall not be less than rupees two million", shall be added at the end.

CLAUSE 3

Clause 3, shall be substituted, namely:-

3. **Substitution of section 4, Act VII of 2010.**— In the said Act, for section 4, the following shall be substituted, namely:-

“4. Punishment for money laundering.— (1) Whoever commits the offence of money laundering shall be punishable with rigorous imprisonment for a term which shall be upto ten years and shall also be liable to fine which may extend to twenty five million rupees and shall also be liable to forfeiture of property involved in money laundering or property of corresponding value.

(2) The aforesaid fine may extend upto one hundred million rupees in case of a legal person. Any director, officer or employee of such legal person who is also found guilty under this section shall also be punishable as provided under sub-section (1).”

CLAUSE 6

In clause 6.—

- (1) in the proposed new section 6A, in sub-section (2), in paragraph (b) .—
 - i) the expression “to prevent the offence of money laundering, predicate offence or financing of terrorism”, shall be added at the end.
 - ii) in paragraph (j), between the words “other” and “law”, the word “applicable”, shall be inserted.

- (2) In the proposed new section 6C, for paragraph (d), the following shall be substituted, namely:-

“(d) exercise any other relevant powers and perform any other relevant functions that may be otherwise granted in any other applicable law or that may be assigned by the Federal Government notification in the Official Gazette.”

CLAUSE 8

In clause 8, in the proposed new section 7E, the word “obviously”, occurring in the last line, shall be omitted.

CLAUSE 11

clause 11, shall be omitted and the remaining clauses shall be renumbered, accordingly.

4. The Committee recommended that the Bill, as reported by the Standing Committee placed at **Annexure-‘B’**, may be passed by the Assembly.

5. Mr. Qaiser Ahmed Sheikh, Chaudhary Khalid Javed, Mr. Ali Perviz, Dr. Aisha Ghaus Pasha, Syed Naveed Qamar and Dr. Nafisa Shah, MNAs showed their reservation on the Bill and they submitted note of dissent which is placed at **Annexure-‘C’**.

Sd/-
(TAHIR HUSSAIN)
Secretary
Islamabad, the 10th August, 2020

Sd/-
(FAIZ ULLAH)
Chairman

[AS INTRODUCED IN THE NATIONAL ASSEMBLY]

A

Bill

further to amend the Anti Money Laundering Act, 2010

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

1. Short title and commencement.— (1) This Act may be called the Anti-Money Laundering (Second Amendment) Act, 2020.

(2) It shall come into force at once.

2. Substitution of section 2, Act VII of 2010.— In the Anti-Money Laundering Act, 2010 (Act VII of 2010), hereinafter referred to as the said Act, for section 2, the following shall be substituted, namely:-

“2. Definitions.— In this Act, unless there is anything repugnant in the subject or context,—

- (i) “AML/CFT” means Anti Money Laundering and Countering Financing of Terrorism;
- (ii) “AML/CFT regulatory authority” means the regulator or SRB as defined under section 6A of this Act;
- (iii) “attachment” means prohibition of transfer, conversion, disposition or movement of property by an order issued under section 8;
- (iv) “beneficial owner” means,—
 - (i) natural person who ultimately owns or controls a customer and / or the natural person on whose behalf a transaction is being conducted; or
 - (ii) natural person who exercise ultimate effective control over a legal person or legal arrangement;