

REGISTERED No. $\frac{M - 302}{L - 7646}$

The Gazette  **of Pakistan**

**EXTRAORDINARY
PUBLISHED BY AUTHORITY**

ISLAMABAD, TUESDAY, AUGUST 8, 2023

PART I

Acts, Ordinances, President's Orders and Regulations

SENATE SECRETARIAT

Islamabad, the 8th August, 2023

No. F. 9(48)/2023-Legis.—The following Act of *Majlis-e-Shoora* (Parliament) received the assent of the President on 7th August, 2023 and is hereby published for general information:—

ACT No. LIII OF 2023

AN

ACT

*to establish National Anti-Money Laundering and Counter Financing
of Terrorism Authority in Pakistan*

WHEREAS, the menace of money laundering and terrorism is becoming an existential threat to the state and needs to be responded to and addressed comprehensively;

(701)

Price: Rs. 20.00

[1542(2023) Ex.Gaz.]

AND WHEREAS, Pakistan being responsible and active member of the international community is continuously cooperating with and adopting internationally recognized measures, particularly proposed by the concerned international organizations whom Pakistan is in cooperation with, for anti-money laundering, countering financing of terrorism and targeted financial sanctions by way of promulgating requisite legal and regulatory framework in the country;

AND WHEREAS while various federal and provincial agencies, departments, ministries and institutions of Pakistan are functioning in connection with anti-money laundering, countering of financing of terrorism and targeted financial sanctions under various laws in force, there is need of a focal institution to unify state response by planning, combining, coordinating and implementing Government's policy through an exhaustive strategic planning and necessary ancillary mechanism and to coordinate and collaborate at international level;

It is hereby enacted as follows:—

1. **Short title, extent and commencement.**—(1) This Act shall be called the National Anti-Money Laundering and Counter Financing of Terrorism Authority Act, 2023.

(2) It shall extend to the whole of Pakistan.

(3) It shall come into force at once.

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

(a) “Authority” means the National Anti-Money Laundering and Counter Financing of Terrorism Authority of Pakistan established under Section 3;

(b) “Competent authorities” means the term as defined in the Anti-Money Laundering Act, 2010; the National Counter Terrorism Authority, Provincial Home Departments, Federal Board of Revenue, Ministry of Interior, Ministry of Foreign Affairs and such other authorities, departments, organizations or agencies as may be notified by the Federal Government from time to time;

(c) “Director General” means the Director General of the Authority appointed pursuant to Section 9;

(d) “Division concerned” means the Cabinet Division;

(e) “Rules” means rules made under the Act;

- (f) "Regulations" means regulations made under this Act; and
- (g) "Prescribed" means prescribed by rules or regulations.

3. **Establishment of the Authority.**—(1) The National Anti-Money Laundering and Counter Financing of Terrorism Authority Pakistan is hereby established for carrying out the purposes of this Act.

(2) The Authority shall be a body corporate having perpetual succession and a common seal with powers, subject to the provision of this Act, to acquire and hold property, movable and immovable, and to sue and be sued by its name. The Authority shall have administrative and financial powers to carry out its functions.

(3) The headquarters of the Authority shall be at Islamabad and it may set up offices at such other places in Pakistan as may be deemed appropriate.

4. **Composition of the Authority.**—(1) The Authority shall be comprised of the following:

- (a) Chairman — To appointed by the Prime Minister
- (b) Secretary, Finance Division of the Ministry of Finance— Member
- (c) Secretary, Foreign Affairs Division of the Ministry of Foreign Affairs— Member
- (d) Secretary, Interior Division of the Ministry of Interior — Member
- (e) Governor, State Bank of Pakistan — Member
- (f) Chairman, Securities and Exchange Commission of Pakistan— Member
- (g) Chairman, National Accountability Bureau — Member
- (h) Director General, Federal Investigation Agency — Member
- (i) Director General, Anti Narcotics Force — Member
- (j) Chairman, Federal Board of Revenue — Member
- (k) Director General, Financial Monitoring Unit — Member
- (l) National Coordinator, National Counter Terrorism Authority— Member

- (m) The Director General of the Authority — Member/Secretary
- (n) Chief Secretary for his nominee not below BPS-21 of each province including Azad Jammu and Kashmir and Gilgit Baitistan-Member
- (o) Any other member as recommended by the Prime Minister.

(2) The Authority may, from time to time, invite such persons, as it may deem appropriate, for the purposes of this Act.

5. Procedures of Authority.—(1) The Authority may meet any time on requisition of the Chairman or at requisition of at least fifty percent of the members. Provided however, the Authority shall meet at least twice a year.

(2) The quorum of the Authority's meeting shall be fifty percent of the total membership.

(3) A meeting of the Authority shall be presided over by the Chairman. In the absence of the Chairman, a member nominated by the Chairman shall preside over the meeting. A meeting of the Authority may also be convened virtually.

(4) The Director General shall, at least five days prior to the meeting, circulate to all the members working papers of each agenda item to be discussed in the meeting along with proposed actions on which decisions of the Authority is required. All decisions in the meeting shall be made with majority of the present members. The Chairman or the member presiding the meeting, as the case may be, shall not have second vote.

(5) The Director General shall have the minutes of each meeting prepared and seek endorsement of all members of the Authority through circulation.

(6) The Director General shall maintain record of each meeting of the Authority, which shall be available to any member of the Authority as and when so requested.

6. Powers and Functions of the Authority.—(1) The Authority shall act as overarching body for implementation by the relevant competent authorities under the relevant laws with respect to anti-money laundering, countering of financing of terrorism and targeted financial sanctions;

(2) Without prejudice and generality of the foregoing, the Authority shall have following powers and functions:—

- (a) to act as focal point for the Financial Action Task Force and related international organizations, bodies and to carry out liaison with the competent authorities and other national, international organizations, bodies and or entities for facilitating cooperation in areas relating to anti-money laundering, countering of financing of terrorism and targeted financial sanctions;
- (b) to coordinate and oversee the implementation of a national strategy to fight money laundering, countering financing of terrorism and targeted financial sanctions and approve national action plan(s) for implementation of such national strategy(s);
- (c) to review, from time to time, national policies, laws and regulations relating to anti-money laundering, countering financing of terrorism and targeted financial sanctions and propose amendments to the Federal Government;
- (d) to coordinate at policy level and provide policy advice to the federal/ provincial/local competent authorities and the Provincial Governments on implementation of anti-money laundering, countering financing of terrorism and targeted financial sanctions regime to maintain uniformity at national level;
- (e) to formulate rules and regulations, and conditions of the employees of the Authority and grant additional allowances, rewards or any other incentives in consultation with the Finance Division after the approval of the Federal Government;
- (f) to enter into any agreement, memorandum of understanding or protocols with counterpart national or international organizations in relation to cooperation in anti-money laundering and countering financing of terrorism and targeted financial sanctions; provided however, that this function shall not be construed to override powers of any competent authority to enter into such arrangements under their respective laws; and
- (g) to discuss and deliberate on any other issue of national importance relating to money laundering, financing of terrorism and targeted financial sanctions.

(3) Except stipulated in paragraph (g) of sub-Section (2) of this Section, the Authority may delegate any of its powers and functions to the Chairman of the Authority with such terms and conditions as it may deem appropriate.

7. **Chairman of the Authority.**—(1) There shall be a Chairman of the Authority to be appointed by the Prime Minister for term of three years on such terms and conditions as may be prescribed. The Chairman shall be eligible for reappointment for another term.

(2) The Chairman shall not be removed from the office prior to the expiry of the term unless he is guilty of gross misconduct; or is incapable of properly performing the duties of his office by reason of physical or mental incapacity:

Provided that no proceedings under this sub-section shall be initiated unless a show cause notice, including an opportunity of being heard, is given to such person.

(3) The Chairman may tender his resignation under his own hand to the Prime Minister.

(4) In the absence of the Chairman, the Director General shall act as acting Chairman and perform all functions and powers of the Chairman under this Act.

8. **Functions and Powers of the Chairman.**—(1) The Chairman shall exercise general control and supervision over the affairs of the Authority; shall be the Principal Accounting Officer of the Authority and; shall ensure that the provisions of the Act, the rules, regulations, policies and directions of the Authority are properly executed.

(2) Without prejudice to the generality of the foregoing, the Chairman shall have the following powers, namely:

- (a) to ensure implementation by the relevant competent authorities of the laws with respect to anti-money laundering, countering financing of terrorism and targeted financial sanctions;
- (b) to develop national action plans with respect to anti-money laundering, countering financing of terrorism and targeted financial sanctions in coordination and consultation with the relevant authorities; analyse the data received from the competent authorities and report to the Authority about implementation of these plans, on periodical basis;
- (c) to propose guidelines with the approval of the authority to the competent authorities in line with the international best practices and requirements of Financial Action Task Force for developing and implementing the risk based supervisory plans or framework

whatsoever called; annual training and outreach plans and monitoring of implementation of the aforesaid guidelines or directions by the competent authorities; and make recommendations to the Federal Government for effective implementation of anti-money laundering, countering of financing of terrorism and targeted financial sanctions action plans;

- (d) to authorize expenditure provided for in the budget in accordance with the rules and regulations;
- (e) to re-appropriate funds within the approved budget;
- (f) to execute deeds and documents on behalf of the Authority;
- (g) to appoint experts from public or private sector for deliberations in areas related to the mandate and functions of the Authority;
- (h) to issue guidelines and resolve issues of overlapping of functions inter se competent authorities; and
- (i) to execute the policies and plans approved by the Authority and instructions issued by the Federal Government.

(3) The Chairman may delegate any of its functions and powers to the Director General with such terms and conditions as it may deem appropriate.

9. Director General of the Authority.—(1) There shall be a Director General of the Authority appointed by the Prime Minister upon recommendation of the Authority. The Director General shall be appointed for a term of three years. A Director General shall be eligible for reappointment provided that his age shall not exceed sixty-five years at the time of appointment or re-appointment, as the case may be and, in case he achieves the age of sixty-five during the term, he shall be deemed retired.

(2) A Director General shall have following qualifications to become eligible for appointment of Director General:

- (a) he shall be a professional of known integrity, competence and shall be a retired civil servant (BS-21 or above) or serving civil servant (BS-21 or equivalent) or an officer of the Authority having the at least five (5) years' experience;
- (b) he shall have minimum twenty-five (25) years post qualification experience in the administration, law enforcement, finance, taxation and legal matters including a minimum ten (10) years experience in senior management position in the relevant field; and

- (c) he should have understanding in anti-money laundering, countering financing of terrorism and targeted financial sanctions laws, rules, regulations and procedures.

(3) The Director General shall assist the Chairman of the Authority in the performance of his duties and shall have the following powers and functions, namely:—

- (a) to coordinate and propose necessary instructions, guidelines to the competent authorities, the Federal and Provincial ministries and departments and local government authorities on implementation of anti-money laundering, countering financing of terrorism and targeted financial sanctions regime; national action plans; analyse the data received, identify gaps and report to the Authority about implementation of these plans, on periodical basis;
- (b) to set up committees, sub-committees, working groups for the purposes of this Act and compliance with Pakistan's commitments and or obligations with respect to the requirements of concerned international organizations whom Pakistan is in cooperation with;
- (c) issue necessary directions to the competent authorities for the purposes of this Act;
- (d) seek reports from the competent authorities responsible for compliance of anti-Money laundering, countering of financing of terrorism and targeted financial sanctions regimes as it may require;
- (e) to seek input and coordinate formulation of risk assessments with periodical reviews for making adequate and timely efforts to counter money laundering, terrorism and targeted financial sanctions;
- (f) to establish central data base of all relevant data fields related to compliance of anti-money laundering, countering financing of terrorism and targeted financial sanctions through development of online data management system;
- (g) to carry out research on topics relevant to money laundering, financing of terrorism and targeted financial sanctions and to prepare and circulate documents, if deemed required;
- (h) to have financial and administrative powers for effective administration of the Authority, as approved by the Chairman;