

TAHIR AMIN

Senate body passes AML bill with amendments

ISLAMABAD: The Senate Standing Committee on Finance Friday passed the Anti-Money Laundering (Amendment) Bill, 2019 with several amendments including increase in fine to ten million rupees and ten years imprisonment for money laundering, aimed at streamlining the existing AML law in line with international standards and ensuring technical compliance with Financial Action Task Force (FATF). The committee met here with Senator Farooq H Naek in the chair and observed that there were some errors in the Anti-Money Laundering Bill and it has been re-submitted for correction.

The National Assembly has prepared some recommendations in this bill. All provisions of the Anti-Money Laundering Amendment Bill were reviewed.

The committee, despite insistence of Finance Ministry, rejected the proposal of arresting the accused without warrant on suspicion of money laundering.

The committee reviewed the recommendations of the National Assembly in detail and approved the amendments and amended Section (4), Section (e) (4) 6, Section (1) 7 and (4) 7, Section (1) 8, Section (5) 9, Section 21, Section (3) 21, Section 33 and Section (2) 34.

The DG Financial Monitoring Unit (FMU) said that amendments need to be in accordance with the FATF requirements as it would serve as technical compliance. If the amendments do not comply with the FATF recommendations, there may be problems, said the FMU official, adding that the time is approaching fast for the actions' implementation and the legislation needs to be done.

The bill will now be tabled before the Senate for final approval. After the Senate's approval, the bill will now again be sent back to the National Assembly for reconsideration in light of the changes made at the level of the standing committee.

Senator Sherry Rehman objected how commitment has been given before the passage of legislation from the Parliament.

According to the federal government, the proposed amendments in the Anti-Money Laundering (Amendment) Bill, 2019 "aim at streamlining the existing AML law in line with international standards and suggest enhancing the punishment of offence of money laundering to make it more dissuasive and deterrent."

The amendments suggest making the offence punishable under the AML Act, 2010 as 'cognizable offence.' These amendments would also allow Financial Monitoring Unit to seek Egmont Group Membership (Group of Financial Intelligence Unit) which is the requirement under the Financial Action Task Force recommendations. However, the committee rejected the proposal and recommended the offence will be non-cognizable.

Three members including Shibli Faraz, Mohsin Aziz and Anwal Ul Haq Kakar gave the dissenting notes while proposing that it needs to be cognizable.

The committee approved the proposal for increase in fines on money laundering from five million rupees to ten million rupees, as well as extended imprisonment to ten years. Further it approved that suspicious transaction report data proposed to be kept for ten years instead of five years.

The committee further approved the amendment in Section 8 (1) saying: "attachment of property involved in money laundering; (1) an investigating officer may on the basis of the report in his possession received from the concerned investigating or prosecuting agency by order in writing with prior permission of the court, provisionally attach a property which he reasonably believed to be the property involved in money laundering for a period not exceeding one hundred and eighty days from the date of the order provided further that the court may grant further extension for a period up to one year."

The committee recommended that police officer will not be able to arrest the money laundering suspect without orders of a magistrate or without warrants. Such a law will empower investigative agencies, said Aisha Farooq. Concerns need to be made but the law is tight, said Anwarul Haq Kakar. "Do not give restraint to the investigating agencies," said Dilawar Khan.

Senator Talha Mahmood said that giving investigative agencies more authority would lead to misuse of authority.

Senator Aisha Raza Farooq asked why such a strong recommendation from the FATF is there. Shibli Faraz asked what steps the Ministry of Finance is taking to prevent Hawala and Hundi?. The FMU and investigating agencies will investigate money laundering cases, proposed the bill; however, the committee also rejected this recommendation and recommended that only FMU would investigate it.

"Can this bill remove the country from the grey list if the bill is approved with amendments?" asked Aisha Raza Farooq. The FMU official said that it is technical compliance with the FATF.

The committee passed the Anti-Money Laundering bill with amendments.

Leader of the House in Senate Syed Shibli Faraz, Senators Mohsin Aziz, Anwar-ul-Haq Kakar, Dilawar Khan, Mushahidullah Khan, Aisha Raza Farooq, Sherry Rehman and Mohammad Talha Mahmood, besides Secretary of the Finance, DG State Bank, were present in the committee meeting.