

SECP asks firms to maintain stakeholders' records under FATF obligations

Page No.15 Col No.06

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) on Thursday directed all the companies to maintain updated information of their stakeholders, in a bid to comply with the international anti-money laundering standards

The SECP directed all the companies having legal individuals as their members/shareholders to obtain and maintain up-to-date information relating to their ultimate beneficial owners, "i.e. natural persons who ultimately own or control the company through direct or indirect ownership of not less than 10 percent shares, voting rights, ownership or controlling interest in that company".

"Companies shall obtain the ultimate beneficial ownership information from their members, and also ensure to maintain and update this information in a register of beneficial ownership," the commission said in a statement.

"The information is required to be obtained and maintained irrespective of the number of levels of ownership pattern, until the natural person exercising ultimate ownership or control and lying at the end of the ownership chain is revealed."

The SECP said the decision was taken in pursuance of making the country compliant with 40 recommendations, which serve as international standards for combating money laundering and terror financing.

In the middle of the current month, a delegation of the global financial watchdog Financial Action Task Force (FATF) urged Pakistan to enact appropriate laws enabling local officials to act upon requests of foreign countries to freeze illegal assets and extradite those involved in terrorism financing and money laundering.

The country needs to comply, by September next year, with a 10-point action plan it committed to the FATF, as its member, earlier this year when the watchdog put the country on its grey list included countries with aberration related to anti-money laundering and counter-terrorist financing standards.

The SECP has already intensified its efforts to combat terror financing and money laundering. The commission issued the latest instruction with a view to maintain a register of ultimate beneficial ownership. "This circular has been issued to all companies, making them responsible to comply with Section 453 of the Companies Act," it said.

“The minimum fields of information required to be by the companies have been specified through the circular,” it added. “In case no natural persons are identified after having exhausted all possible means, or there is any doubt that the persons identified are the beneficial owners, there shall be entered in the register of beneficial ownership the names of the natural person(s) who hold the position of senior managing official(s) of the company.”