



Inside

Committee Activities

National Updates

International Updates

Pakistan Stock Market – KSE-100 Index
Fluctuations

Rupee-Dollar Parity

Topic of the month – Offsite Monitoring
Questionnaire (Form-B) for Reporting Firm

Legal Privileges available to Cost and
Management Accountants (CMAs)

Message from the Chairman

I am delighted to present the Monthly Technical Updates by TSPD for the month of November, 2020. This issue covers a variety of topics related to Taxation, Stock Market, Corporate Sector and especially the Anti Money Laundering (AML)/ Countering the Financing of Terrorism (CFT) requirements which are to be complied by the Cost and Management Accountants (CMAs). I believe that members will find it informative and helpful in discharging their professional assignments/ responsibilities. Moreover, Members are requested to frequently visit the website of the Institute to keep themselves abreast with the latest developments in the AML/ CFT regime.



I also want to request all members to share their valuable suggestions for further improvement in the Monthly Technical Update and identify topics of technical interest, which the Committee may consider for arranging seminars, workshops and training programs beneficial for the practicing members in terms of their capacity building and value addition.

Please do share your comments on tspd@icmap.com.pk.

Ghulam Mustafa Qazi, FCMA
Chairman TSPD Committee

Committee Activities

Webinar on E-filing of Income Tax Returns

TSPD Committee, in collaboration with the Islamabad Branch Council (IBC), in their efforts to equip and update the Members and Students of ICMA Pakistan regarding latest changes in statutes, organized Seminar which will assist them in reporting Income, expenditures and wealth. The Webinar was conducted on November 06, 2020 through ZOOM. The Webinar was attended by the large community of Members, Students and other stakeholders followed by the Questions and answer sessions as well.



Webinar on Audit Report Obligations

TSPD Committee, in collaboration with the Islamabad Branch Council (IBC), in its continuous efforts to build the capacity of the Members and Students of ICMA Pakistan, organized a Webinar on Audit Report Obligations, on November 27, 2020 through ZOOM, which will enhance their understanding on the specified formats of the auditor's reports. The Webinar was attended by the large community of Members, Students and other stakeholders followed by the Questions and answer sessions as well.



National Updates

Taxation

1. AMENDMENT IN CHAPTER V OF THE SALES TAX RULES, 2006

Federal Board of Revenue (FBR) vide their S.R.O. 1172(I)/2020 dated November 04, 2020 introduced following further amendments shall be made in the Sales Tax Rules, 2006:-

- A new proviso is added in in rule 28(1) of Chapter V as under:-
"Provided also that if a claimant is registered as commercial exporter and exporting same state goods, the period of one hundred and eighty days shall be reckoned from date of filing of return or the date of issuance of BCA, whichever is later"; and
- The existing first proviso in rule 39D of Chapter V-A is substituted as under:-
"Provided that the claimant may submit his return without Annex-H and the same may be filed separately at any time but not later than one hundred and twenty days or as the case may be not later than one hundred and eighty days for commercial exporters of submission of the return without Annex-14. The date of submission of Annex-H shall be considered as the date of filing of reftind claim.".

For further details please visit the following link:-
<https://download1.fbr.gov.pk/SROs/202011510112714198SRO1172-2020.pdf>

2. CONSTITUTION OF PROVINCIAL COMPLAINT RESOLUTION COMMITTEE FOR SETTLEMENT OF ISSUE RELATING TO SALES TAX REFUND MATTERS FOR SINDH

FBR constituted a Provincial Complaint Resolution Committee for Settlement of Issue Relating to Sales Tax Refund matters for Sindh.

The Committee comprises of following members for settlement of sales tax refund issues of taxpayers falling under the jurisdiction of field formations of Sindh:-

S.No	Name & Designation	Position
1	Dr. Mirza Ikhtiar Baig, Former SVP Federation of Pakistan Chamber of Commerce	Convener
2	Abdul Hameed Memon, Chief Commissioner-IR, MTO, Karachi	Member/Secretary
3	Mr. Muhammad Ibrahim Kasumbi, Former Senior Vice President, KCCI	Member
4	Mr. Qamar Usman, Former Member Manager Committee, KCCI	Member
5	Mr. Shoaib Majeed, Chairman Pakistan Denim Manufacturers and Exporters Association	Member
6	Mr. Aman Kassim, Former Chairman all Pakistan Textile Mills Association	Member
7	Mr. Shafiq Vohra, President Karachi Chamber of Commerce & Industry	Member

Terms of Reference (TOR) of the Complaint Resolution Committee are as under:-

- Review the nature of complaints/issue, possible solution and take immediate action for resolution;
- Follow up with concerned field formations till issue is resolved;
- Maintain complete record of complaints/issues, mechanism adopted for resolution and post resolution action required, if any; and
- Share data with Board on monthly basis indicating issues received, issues resolved and issues pending for resolution and reasons for pendency.

For further details please visit the following link:-
<https://download1.fbr.gov.pk/Docs/202011414112928790ProvincialComplaintSTRefund.pdf>

3. EXEMPTION OF DUTIES AND TAXES ON IMPORT OF GOODS FOR THE PREVENTION AND TREATMENT OF COVID-19

Federal Board of Revenue (FBR) vide their S.R.O. 1251(I)/2020 dated November 23, 2020 exempted whole of the customs duty, regulatory duty and additional customs on import of goods for the prevention and treatment of Covid-19.

The notification shall take effect from October 1, 2020 and shall remain effective till June 30, 2021.

For further details please visit the following link:-
[https://download1.fbr.gov.pk/SROs/2020112319115047363SRO1251\(I\)2020.pdf](https://download1.fbr.gov.pk/SROs/2020112319115047363SRO1251(I)2020.pdf)

4. INSERTION OF SUB RULE (2A) IN RULE 74 OF THE INCOME TAX RULES, 2002

FBR vide their S.R.O. 1250(I)/2020 dated November 23, 2020 notified draft of certain further amendment in the Income Tax Rules, 2002, by inserting a new sub-rule in rule 74, after sub-rule (2), as under:-

"(2A) Where a person is using a mobile phone, document required to be served on that person by the Commissioner or the Chief Commissioner shall be considered sufficiently served if sent as SMS on the cellphone registered in the name of such person as per record of the Pakistan Telecommunication Authority established under section 3 of the Pakistan Telecommunication (Re-organization) Act, 1996 or the relevant Telecommunication Service Provider.".

For further details please visit the following link:-
[https://download1.fbr.gov.pk/SROs/202011231711256972SRO1250\(I\)of2020.pdf](https://download1.fbr.gov.pk/SROs/202011231711256972SRO1250(I)of2020.pdf)

5. AMENDMENT IN THE ALTERNATIVE DISPUTE RESOLUTION UNDER SECTION 134A OF THE INCOME TAX ORDINANCE, 2001

FBR vide their S.R.O. 1249(I)/2020 dated November 23, 2020 approved amendments in Rule 231C "Alternate Dispute Resolution" of the Income Tax Rules, 2002 as notified in their earlier S.R.O. 1183(I)/2020 dated November 06, 2020.

The revised Alternate Dispute Resolution Rules can be accessed through the following link:-
[https://download1.fbr.gov.pk/SROs/202011231611585041SRO1249\(I\)of2020.pdf](https://download1.fbr.gov.pk/SROs/202011231611585041SRO1249(I)of2020.pdf)

6. SALES TAX SPECIAL PROCEDURE FOR ADJUSTMENT OF SUBSIDY AGAINST SALES TAX ON LOCALLY MANUFACTURED TRACTORS RULES, 2020

FBR vide their S.R.O. 1248(I)/2020 dated November 23, 2020 notified Sales Tax Special Procedure for Adjustment of Subsidy against Sales Tax on Locally Manufactured Tractors Rules, 2020. These rules shall come into force from 28th September, 2020 and shall remain in force till 30th June, 20 21 or till the time the amount of subsidy of rupees one and a half billion is exhausted, whichever is earlier.

The subsidy granted, shall be allowed to be adjusted by the manufacturers of the tractors namely M/s Millat Tractors Limited, Al-Ghazi Tractors Limited and Orient Tractors (Pvt.) Limited, hereinafter referred to as the specified manufacturers, in the manner as provided under these rules: Provided that the Ministry of National Food Security and Research shall apportion the amount of subsidy amongst the specified manufacturers so that the same does not be exceed the limit of Rs. 1.5 billion.

A Tractors Subsidy Cell shall be established by the IR-Operations Wing of Federal Board of Revenue for processing subsidy adjustment claims under these rules. The specified manufacturers of tractors shall submit data of supplies in the Annexure-C of the monthly return of the Sales Tax and Federal Excise by 5th day of the month following the end of the tax period.

The specified manufacturers shall sell the subsidized tractors only to the farmers and growers after obtaining a valid proof of land holding such as Agriculture Pass Book and copy of record of rights of agricultural land duly verified from Provincial Land Revenue Authorities and shall not charge and collect applicable amount of sales tax from such buyers.

The whole value of the tractor applicable amount of the sales tax and amount of subsidy shall be mentioned on the sales tax invoice as specified under section 23 of the Act issued by the specified manufacturers.

The Ministry of National Food Security and Research after examination of the adjustment claim shall forward its report to the Tractors Subsidy Cell of FBR within seven working days of submission of the Part-1 of the Annexure-A by the specified manufacturers, mentioning the amount of subsidy to which such manufacturers are entitled for the period.

After receiving the report from Ministry of National Food Security and Research, the Tractors Subsidy Cell shall examine the same along with the adjustment claims and Annexure-C of monthly return of the specified manufacturers.

The Tractors Subsidy Cell shall determine the amount to be adjusted against sales tax due and also the sales tax amount payable by the State Bank of Pakistan in accordance with the Part-II of Annex-A and a copy of the same shall be shared with the Ministry of National Food Security and Research.

Based on the aforesaid report, adjustment of the subsidy amount as recommended by the Tractors Subsidy Cell shall be claimed by the specified manufacturer in the monthly sales tax and federal excise return. The Government agencies shall not be eligible for subsidy under these rules, however. Agriculture Research Institutes may avail the same.

For further details please visit the following link:-

<https://download1.fbr.gov.pk/SROs/2020112313115933622SRO1248OF2020DATED23.11.2020--TRACTORSUBSIDY.pdf>

International Updates

IASB PROPOSES AMENDMENT TO ITS LEASES STANDARD TO IMPROVE ACCOUNTING FOR SALE AND LEASEBACK TRANSACTIONS

The International Accounting Standards Board vide their notification dated November 27, 2020 proposed to amend IFRS-16 (Leases) by specifying how a company measures the lease liability in a sale and leaseback transaction.

Sale and leaseback transactions are transactions for which a company sells an asset and leases that same asset back from the new owner.

IFRS 16 includes requirements for how to account for sale and leaseback transactions at the time the transaction takes place. However, it does not specify how to measure the lease liability when reporting after that date.

The proposed amendment would improve the sale and leaseback requirements already in IFRS-16 by providing greater clarity for the company selling and leasing back an asset both at the date of transaction and subsequently. By doing so, the amendment would help ensure the Standard is applied consistently to such transactions. The proposed amendment would not change the accounting for leases other than those arising in a sale and leaseback transaction.

Exposure Draft Lease Liability in a Sale and Leaseback can be accessed through the following link:-

<https://cdn.ifrs.org/-/media/project/lease-liability/ed-lease-liability-in-a-sale-or-leaseback.pdf?la=en>

IASB has sought public suggestions on the above exposure draft. Worthy Members are requested to kindly review the draft and forward their valuable comments/ suggestions/ feedback to tspd@icmap.com.pk latest by March 15, 2021 for onward submission to IASB.

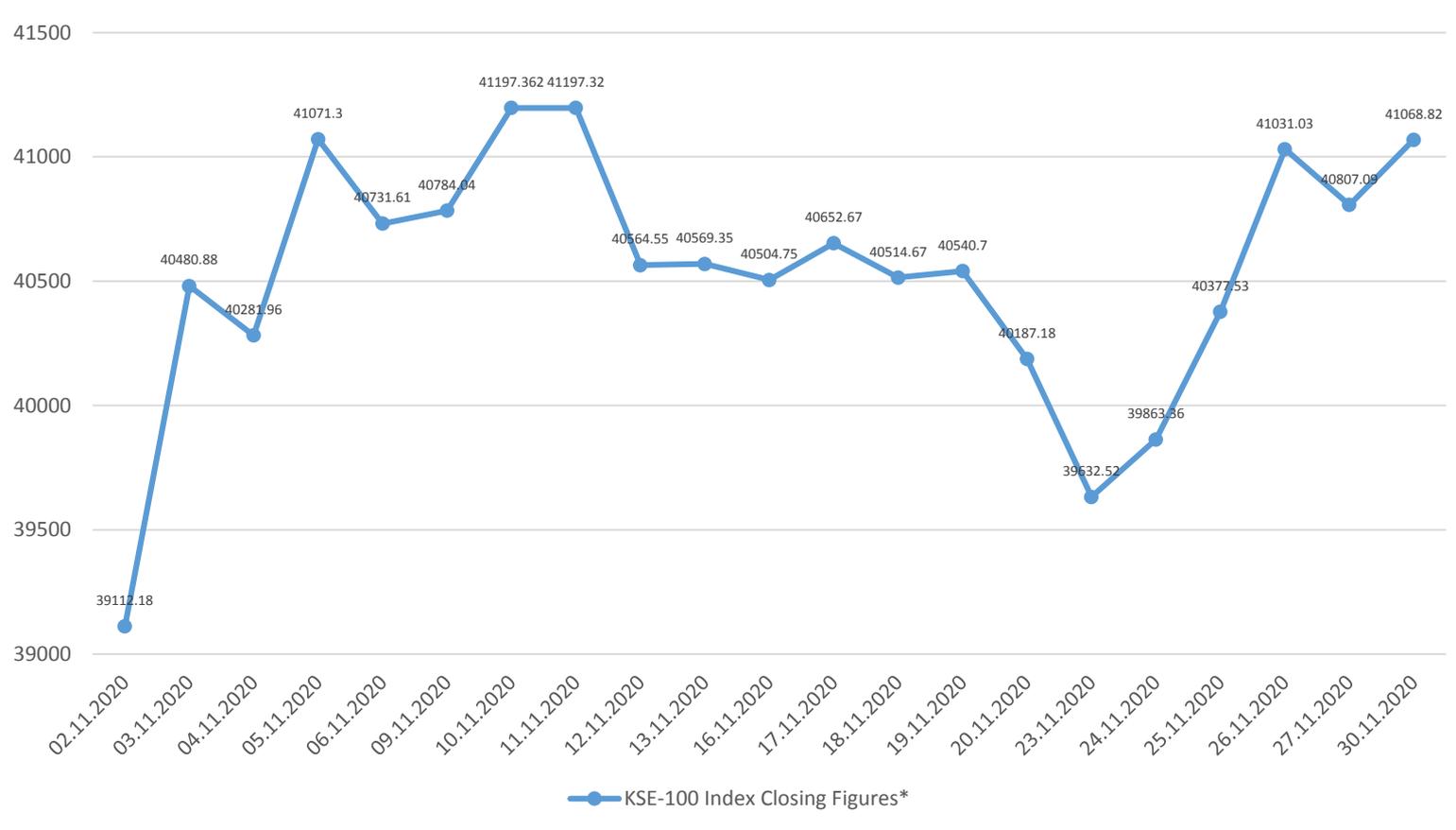
Pakistan Stock Market

Pakistan Stock Market – KSE-100 Index Fluctuations during November, 2020

Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*
02.11.2020	39112.18	11.11.2020	41197.32	20.11.2020	40187.18
03.11.2020	40480.88	12.11.2020	40564.55	23.11.2020	39632.52
04.11.2020	40281.96	13.11.2020	40569.35	24.11.2020	39863.36
05.11.2020	41071.30	16.11.2020	40504.75	25.11.2020	40377.53
06.11.2020	40731.61	17.11.2020	40652.67	26.11.2020	41031.03
09.11.2020	40784.04	18.11.2020	40514.67	27.11.2020	40807.09
10.11.2020	41197.362	19.11.2020	40540.70	30.11.2020	41068.82

*As published in Daily Dawn

KSE-100 Index Closing Figures*

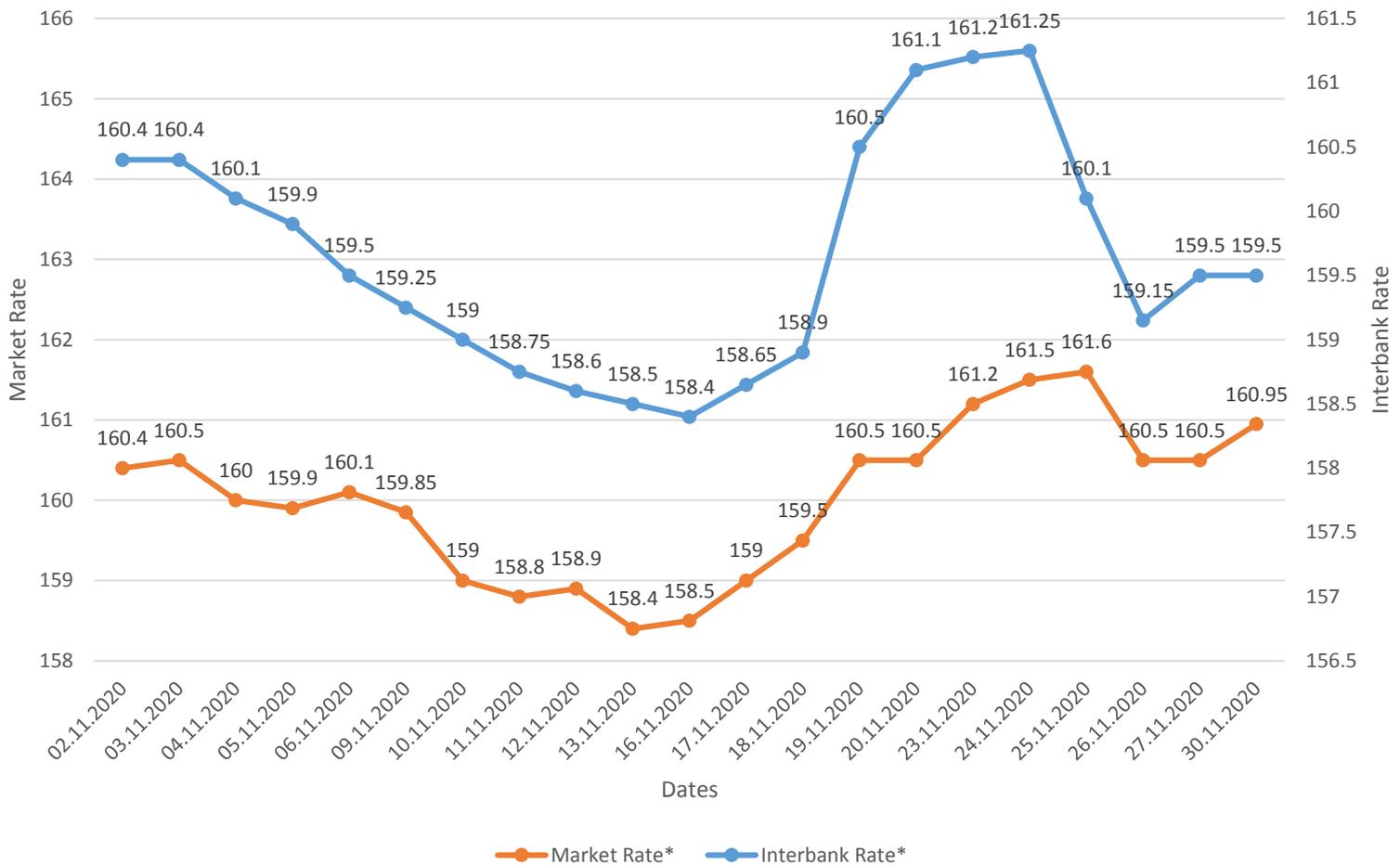


Rupee-Dollar Parity

Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*
02.11.2020	160.40	160.40	11.11.2020	158.75	158.80	20.11.2020	161.10	160.50
03.11.2020	160.40	160.50	12.11.2020	158.60	158.90	23.11.2020	161.20	161.20
04.11.2020	160.10	160.00	13.11.2020	158.50	158.40	24.11.2020	161.25	161.50
05.11.2020	159.90	159.90	16.11.2020	158.4	158.50	25.11.2020	160.10	161.60
06.11.2020	159.50	160.10	17.11.2020	158.65	159.00	26.11.2020	159.15	160.50
09.11.2020	159.25	159.85	18.11.2020	158.90	159.50	27.11.2020	159.50	160.50
10.11.2020	159.00	159.00	19.11.2020	160.50	160.50	30.11.2020	159.50	160.95

*forex.pk

Rupee-Dollar Parity during November, 2020



Offsite Monitoring Questionnaire for Reporting Firms (Form B)

1. Reporting Firm

- 1.1 Name of the Reporting Firm: (Mention firm name)
 1.2 Period of Form B of the Annual Return: (Mention the period 'from - to', information in Form B covers)
 1.3 Date of last submitted Form B of Annual Return (if any): (Date)
 1.4 Date of Institute's last AML/CFT review of the Reporting Firm: (Date)
 1.5 Has the Reporting Firm been asked to provide AML/CFT relating information to FMU/ Government agencies/ court of law? Yes No

2. INHERENT VULNERABILITIES

2.1 Entity Characteristics

- 2.1.1 What is the annual pre-tax revenue of the Reporting Firm (PKR):(select one)?
- | | |
|--|--------------------------|
| Upto Rs 3 million; | <input type="checkbox"/> |
| Above Rs 3 million to Rs 50 million; | <input type="checkbox"/> |
| Above Rs 50 million to Rs 100 million; | <input type="checkbox"/> |
| Above Rs 100 million to Rs 500 million | <input type="checkbox"/> |
| Above Rs 500 million to Rs 1 billion; | <input type="checkbox"/> |
| Above Rs 1 billion | <input type="checkbox"/> |

- 2.1.2 For the purposes of serving its clients, does the Reporting Firm maintain ongoing relationships with regulated financial institutions or other regulated professional service providers (e.g. referrals)?¹ Yes No

Check all that apply

- | | |
|---------------------------------------|--------------------------|
| ➤ Banks | <input type="checkbox"/> |
| ➤ Securities dealers/brokers/advisers | <input type="checkbox"/> |
| ➤ Insurance companies and brokers | <input type="checkbox"/> |
| ➤ Legal professionals | <input type="checkbox"/> |
| ➤ Accounting professionals | <input type="checkbox"/> |
| ➤ Trust and company service providers | <input type="checkbox"/> |

- 2.1.3 How many clients has the entity served in the past year?

2.2 Products and Services

- 2.2.1 Does the Reporting Firm offer any of the following products or services? Yes No

Check all that apply

- | | |
|---|--------------------------|
| ➤ Sale of pre-formed companies to clients (shelf companies) | <input type="checkbox"/> |
| ➤ Formation of companies to hold assets | <input type="checkbox"/> |
| ➤ Formation of companies as layers in an ownership structure | <input type="checkbox"/> |
| ➤ Formation of companies with complex or opaque ownership | <input type="checkbox"/> |
| ➤ Acting as a nominee director of a client's company | <input type="checkbox"/> |
| ➤ Arranging for another person to act as a nominee director of a client's company | <input type="checkbox"/> |
| ➤ Formation of trusts as layers in an ownership structure | <input type="checkbox"/> |
| ➤ Formation of trusts with complex or opaque structures | <input type="checkbox"/> |
| ➤ Formation of trusts with undefined beneficiaries or classes of beneficiaries | <input type="checkbox"/> |
| ➤ Acting as the trustee of a client's trust | <input type="checkbox"/> |
| ➤ Arranging for another person to act as a trustee of a client's trust | <input type="checkbox"/> |
| ➤ Formation of waqf as layers in an ownership structure | <input type="checkbox"/> |
| ➤ Formation of waqf with complex or opaque structures | <input type="checkbox"/> |
| ➤ Formation of waqf with undefined beneficiaries or classes of beneficiaries | <input type="checkbox"/> |
| ➤ Acting as the trustee of a client's waqf | <input type="checkbox"/> |

¹This does not include business operating accounts at financial institutions or professional services acquired for the functioning of the entity itself (e.g. legal advice to the entity, accountancy services for the entity, etc.).

- Arranging for another person to act as a trustee of a client's waqf
- Formation of companies, trusts or waqfs in jurisdictions outside Pakistan
- Providing a registered office or a business address, a correspondence address, or an administrative address for a company, or a partnership, or any other legal person or arrangement
- Managing client funds (other than sums paid as fees for professional services), accounts, securities, or other assets
- Operational of pooled accounts of client funds
- Transfer of beneficial interest in land or other real estate property
- Transaction on behalf of a client in relation to creating, operating, and managing a company or trust/waqf.
- Transaction on behalf of any other person in relation to the buying, transferring, or selling of a company or trust/waqf

- 2.2.2 What percentage of the entity's business do the products and services listed above represent?
- 0% (None)
- 1%-25%
- 25%-50%
- 50%-75%
- 75%-100%

2.2.3 How many transactions (payment for services by a client) are processed each year on average?

2.2.4 How many of the following entities have been formed?

	Number of entities			
	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>
Companies	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>
Trusts (excluding NGOs)	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>
Waqf	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>
Partnerships	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>
NGOs (including charitable trusts, societies and other charitable entities)	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>
Other [Please specify]	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>

2.2.5 If Reporting Firm rendered the services by arranging for a person to act as a director or trustee in relation to companies or trusts/waqfs? Please mention the number of:

Nominee directorship roles: *[Number]*

Trustee roles: *[Number]*

2.2.6 If the Reporting Firm has provided a registered office or a business address, a correspondence address, or an administrative address for a company, trust, waqf or a partnership, or any other legal person or arrangement. Please mention how many?

	Number of entities			
	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>
Companies	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>
Trusts (excluding NGOs)	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>
Waqf	0 <input type="checkbox"/>	1-5 <input type="checkbox"/>	6-15 <input type="checkbox"/>	25+ <input type="checkbox"/>

- 2.4.2 Does the Reporting Firm have activities relating to countries or areas of concern? Yes No
Check all that apply
- Border Areas of Khyber Pakhtunkhwa (KP)
 - Border Areas of Balochistan
 - South Punjab
 - India
- 2.4.3 What percentage of the Reporting Firm's activities relate to the high-risk jurisdictions and areas or countries of concern outlined above? 0% (None)
 1%-25%
 25%-50%
 50%-75%
 75%-100%

2.5 Delivery Channels

- 2.5.1 Does the Reporting Firm have a non-face-to-face business model or on board clients without face-to-face interaction? Yes No
- 2.5.2 Does the Reporting Firm use third party intermediaries or agents to on board clients? Yes No
Check all that apply
- Domestic intermediaries/agents not regulated for AML/CFT compliance
 - Regulated domestic intermediaries/agents
 - Foreign intermediaries/agents
- If yes, from which countries:
- 2.5.3 Does the Reporting Firm accept any of the following types of payments? Yes No
Check all that apply
- Cash
 - Bearer cheque
 - Virtual currency/assets
 - Precious metals and stones
 - Other forms of stored value: _____

3. MITIGATING CONTROLS

3.1 Risk Assessment

Enterprise Risk Assessment

- 3.1.1 Does the Reporting Firm have a documented ML/TF risk assessment? Yes No
If yes, when was it last undertaken:
Start Date:
End Date:
- 3.1.2 Has the risk assessment considered different types of risk? Yes No
Check all that apply
- Customers
 - Products/Services
 - Geographic Locations
 - Delivery Channels
 - Technologies
- 3.1.3 Is the risk assessment reviewed and updated on a regular basis? Yes No
If yes, how often:

Client Risk Assessment

- 3.1.4 Does the Reporting Firm assign documented risk ratings to its clients or categories of clients? Yes No

- 3.1.5 Has the risk assessment considered different drivers of client risk? Yes No
Check all that apply
- Inherent Characteristics of the Client that Represent Higher Risk
 - Client Transaction History
 - Products/Services Used
 - Geographic Nexus
 - Delivery Channels Used
- 3.1.5 Are customer risk ratings kept up to date? Yes No
If yes, how often:
- 3.2 Policies, Procedures and Systems**
- Policies and Procedures*
- 3.2.1 Does the entity have a documented AML/CFT compliance program? Yes No
- 3.2.2 Was the AML/CFT Policy developed to mitigate risks identified in the risk assessment? Yes No
- 3.2.3 Are controls in place to prevent breaches of the AML/CFT Policy? Yes No
- Systems*
- 3.2.4 Has the Reporting Firm put in place systems to support the implementation of the AML/CFT Policy? Yes No
Check all that apply
- Automatic Systems
 - Manual Systems
- 3.2.5 Are there systems in place to carry out obligations under the AML/CFT Policy? Yes No
Check all that apply
- Identifying PEPs
 - Identifying targeted financial sanctions designated persons
 - Monitoring third party introducers or agents
 - Monitoring other professional service providers
 - Monitoring occasional customers
 - Monitoring transactions
 - Record keeping and retention
 - Applying policy changes throughout the organisation
- 3.2.6 Are the Reporting Firm's systems updated periodically? Yes No
If yes, how frequently:
- 3.3 Customer Due Diligence**
- Client Identification*
- 3.3.1 Does the Reporting Firm identify and verify all its clients' identities in the situations required by the AMLA? Yes No
- 3.3.2 Does the Reporting Firm make and keep records of customer identification? Yes No
Check all that apply
- Name
 - Address
 - Nationality and residency status
 - Occupation
 - Purpose of account
 - Third parties exerting control over the client
- 3.3.3 Does the Reporting Firm reject clients with incomplete client identification? Yes No

Corporations and Beneficial Ownership

3.3.4 Does the Reporting Firm identify its corporate clients in situations required by the AMLA? Yes No

3.3.5 Does the Reporting Firm make and keep records of corporate customer identification? Yes No

Check all that apply

- Name
- Business address
- Articles of Incorporation, Partnership Agreement, Trust Agreement etc.
- Nature of business
- Purpose of account

3.3.6 Does the Reporting Firm identify and take reasonable measures to identify all ultimate beneficial owners who own 25% or more of the corporate client? Yes No

Ongoing Due Diligence

3.3.7 Are client identification and beneficial ownership files kept up to date? If yes, how frequently are the files updated? Yes No

3.3.8 Is there ongoing due diligence to verify that transactions are consistent with the customer's risk profile? Yes No

3.3.9 Is the frequency and depth of ongoing due diligence conducted on the basis of client risk? Yes No

3.4 Enhanced Measures

Identify High Risk Clients and Situations

3.4.1 Does the Reporting Firm identify high risk clients and situations? Yes No

Check all that apply

- Foreign Politically Exposed Persons
- Domestic Politically Exposed Persons
- Legal persons with complex or opaque ownership structures
- High net worth individuals
- Non-face-to-face clients
- Professional service providers
- Non-profit organizations
- Clients seeking aggressive tax planning

3.4.2 Does the Reporting Firm identify and assess the risks of new technologies? Yes No

3.4.3 Does the Reporting Firm identify clients or transactions related to high risk countries or areas/countries of concern or the border areas of KP and Balochistan and also South Punjab? Yes No

Application of Enhanced Measures

3.4.4 Does the Reporting Firm apply enhanced mitigating controls to address high risks? Yes No

Check all that apply

- Obtaining more information (client ID, beneficial ownership, transaction purpose etc)
- Updating customer information more frequently
- Taking reasonable measures to identify the client's source of wealth and funds
- Increasing the degree and level of transactions monitoring
- Obtaining the approval of senior management of the business relationship

3.4.5 Does the Reporting Firm's senior management have ongoing oversight re: high risk clients and situations? Yes No

3.5 Targeted Financial Sanctions

Targeted Financial Sanctions Designated Persons Listings

3.5.1 Does the Reporting Firm screen clients against the UN targeted financial sanctions designated lists for terrorist financing (UNSCR 1267 and its successor resolutions)? Yes No

3.5.2 Does the Reporting Firm screen clients against national-level targeted financial sanctions lists for terrorist financing? Yes No

Which national lists are checked?

Notification/SRO by the Ministry of Interior/ NACTA or Ministry of Foreign Affairs

United States (OFAC)

United Kingdom

European Union

Other

3.5.3 Does the Reporting Firm screen clients against the UN targeted financial sanctions lists for proliferation financing (UNSCR 1718 and its successor resolutions, and UNSCR 2231)? Yes No

Targeted Financial Sanctions Screening Procedures

3.5.4 Are all new and existing clients checked/screened against designated persons sanctions lists whenever the lists are updated? Yes No

How is screening done?

Manually against the published listings

Using in-house or third-party software solutions

3.5.5 Is there an ongoing customer screening /filtering process (automated or manual) for the designated persons sanctions lists? Yes No

What frequency is the client database screened?

Multiple times per day

Once a day

Once a week

Once a month

Other timeframe: _____

Client database is not scanned on an ongoing basis

3.5.6 Are beneficial owners checked against the designated persons sanctions lists? Yes No

Targeted Financial Sanctions Matches

3.5.7 Does the Reporting Firm maintain records of name matches against targeted financial sanctions designated persons lists? Yes No

Check all that apply

Records are maintained of all true matches

Records are maintained of all false positives

3.5.8 Does the Reporting Firm have policies in place to determine whether matches against the designated persons sanctions lists are true hits? Yes No

3.5.9 Does the Reporting Firm have policies in place to report any positive matches against the designated person's sanctions lists to the competent authorities? Yes No

Have any designated financial sanctions name matches been reported?

True matches have been reported to competent authorities

True matches have not been reported to competent authorities

No true matches have been determined

3.6 Suspicious Transaction Reporting

Transaction Monitoring

3.6.1 Does the Reporting Firm monitor for suspicious transactions/activity? Yes No
Check all that apply
 Manually
 Automatically

3.6.2 Does the Reporting Firm have expected turnaround times to analyse suspicious transactions/ relationships ? Yes No
If yes, what is the expected turnaround time from the time the transaction is processed:

3.6.3 Does the Reporting Firm have a designated person responsible for filing suspicious transaction/ relationships reports? Yes No

Suspicious Transactions Reported

3.6.4 Has the Reporting Firm reported suspicious transactions/relationships to the FMU? Yes No

*If yes, how many STRs have been filed:
 How many CTRs have been filed:*

3.6.5 Does the Reporting Firm report suspicious attempted transactions/ relationships that were not completed or rejected? Yes No

3.6.6 Does the Reporting Firm file STRs even when it does not suspect a specific crime that the transaction/ relationships may be related to? Yes No

3.7 Internal Controls

Compliance Officer

3.7.1 Has the Reporting Firm appointed a compliance officer with responsibility for the implementation of the AML/CFT Policy and compliance program? Yes No

3.7.2 Is the compliance officer at a management level? Yes No

3.7.3 Does the compliance officer have access to all client and business files and records? Yes No

Training

3.7.4 Does the Reporting Firm have an AML/CFT training program? Yes No
How is the training developed (check all that apply)
 Developed in-house
 Sourced from third parties

3.7.5 Does the training program cover the entirety of the AML/CFT compliance program? Yes No
What does the training program cover (check all that apply)
 Responsibilities of the entity and its employees under the AMLA/Regulations
 Internal policies, procedures and processes
 How to identify and report suspicious transactions to the FMU
 Common methods used by money launderers and terrorist financiers

3.7.6 Does every employee with AML/CFT responsibilities receive training? Yes No
Who receives AML/CFT training (check all that apply)
 New recruits
 Frontline employees with customer interface
 AML/CFT Compliance Officer and staff



Back office staff
Audit
Senior management
Board members

Audit

3.7.7 Is there an independent evaluation of the AML/CFT compliance program? (e.g. internal audit, independent audit) Yes No

What frequency is audit?

Every year
Every two years
Other timeframe: _____

3.7.8 Does the audit program review all elements of the AML/CFT compliance program? Yes No

Check all that apply

Does the audit function assess compliance with applicable laws, regulations and guidelines?

Does the audit function examine the adequacy of customer due diligence policies, procedures and processes?

Does the audit function perform testing (client files, unusual/suspicious transaction files, targeted financial sanctions name match files, etc.)?

3.7.9 Does the audit function examine the integrity and accuracy of information management and information technology systems used in the AML/CFT compliance program (including transaction monitoring systems if applicable)? Yes No

Declaration and signature

I confirm that I have the authority to submit this form on behalf of the Reporting Firm (name of the firm). I have reviewed the answers and information and I confirm that I am satisfied that, to the best of my knowledge, after undertaking all reasonable inquiries, all answers are true and correct.

Date:

Signature:

Full name:

Position:



Outreach and Capacity Building Sessions for Private sector AML/CFT Reporting Entities

The United Nations Office on Drugs and Crime (UNODC) has been working with the Government of Pakistan to strengthen frameworks and capacities of its institutions that are performing key roles in fight against financial crimes including corruption, money laundering and terrorist financing.

In line with its 5-year country programme, the UNODC at Islamabad has planned a series of outreach sessions in collaboration with the Institute of Cost & Management Accountants of Pakistan (ICMA Pakistan) to build awareness on the risks and controls against money laundering and terrorist financing.

In the planning and delivery of these outreach sessions, UNODC has worked closely with key governmental institutions of Pakistan that are central to the framework of Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) of the country. These institutions include: Financial Monitoring Unit (FMU), Ministry of Foreign Affairs (MoFA), National Counter Terrorism Authority (NACTA), Securities and Exchange Commission of Pakistan (SECP) and Institute of Cost & Management Accountants of Pakistan (ICMA Pakistan).

The outreach sessions are aimed at providing expert information of the legal framework, institutional activities and international standards on AML/CFT with special emphasis on counter measures for Targeted Financial Sanctions (TFC), Proliferation Financing (PF) and Beneficial Ownership (BO) among other topics. These sessions will help in building understanding and enhancing capacity of private sector AML/CFT reporting entities, with respect to their role in the counter measures against money laundering and terrorist financing.

In the above backdrop, the UNODC, in collaboration with the ICMA Pakistan has planned to arrange the “Outreach and Capacity Building Session for Private sector AML/CFT Reporting Entities” in capitals of Pakistan.

Invitations will be sent to the Worthy Practicing Members accordingly.

In order to acquire information about latest developments with regards to the AML/ CFT regime, members may contact the department at below numbers:-

AML Supervisory Board

Institute of Cost and Management Accountants of Pakistan [ICMA Pakistan]

Plot No. 16, Sector H-9, Islamabad

Phone: +92 51 4865561-2

Email: aml.supervisor@icmap.com.pk | URL: www.icmap.com.pk

Legal Privileges Available to Cost and Management Accountants*

Sr.	Description	Legal Statute	Relevant Section / Rule
1	To act as an Auditor	Companies Act, 2017	Section 247(b)
2	Appointment as Special Auditors by FBR for Income Tax Audit	Income Tax Ordinance, 2001	Section 177 (10) Income Tax Ordinance, 2001
3	Appointment as Special Auditors by FBR Sales Tax Audit	Sales Act, 1990	Section 32-A of Sales Act, 1990, & SRO 539(1)/2006 dated 5th June, 2006
4	To perform Audit of Cost Accounts as an Auditor	Companies Act, 2017	Section 250(1)
5	Audit & Certification of Accounts of Non Profit Organizations	Income Tax Rules, 2002	Income Tax Rules, 2002 notified through SRO 774 dated 29th July, 2006
6	Audit of Financial Statements for Agricultural Borrowers	Prudential Regulations for Agriculture Financing 2014	Part C, Regulations R-20
7	Audit of Financial Statements of SMEs	Prudential Regulations for Small and Medium Enterprises Financing 2013	Chapter No. 3, Regulation ME R-4
8	Audit of Financial Statements of Corporate and Commercial Banks	Prudential Regulations for Corporate / Commercial Banking 2011	Part B, Regulations R-3
9	To Act as Legal Representative of Taxpayer	Income Tax Ordinance, 2001 Income Tax Rules, 2002	Sec 223 Income Tax Ordinance, 2001 Rules 84-90 Chp XIV if Income Tax Rules, 2002
10	Delegation of Function by Assets Management Companies	SECP Circular, 2013	No.24/2013 dated December 06, 2013
11	Declaration for Registration of Memorandum	Companies Rules, 1985	Rule 4 (2) (ii)
12	Appointment as Committee Member on Custom matters	Customs Act, 1969	Section 195 C(2)
13	Appointment as Member of Settlement Commission on Custom matters	Customs Act, 1969	Section 196 K(3)
14	Appointment as Accountant Member of the Appellate Tribunal	Anti-Dumping Duties Ordinance, 2015	Rule 65(1)(a), No.2((1)/2015-Pub dated February 26, 2015
15	To Act as Legal representative in Anti-Dumping Tribunal	Anti-Dumping Duties Ordinance, 2015	No.2((1)/2015-Pub dated February 26, 2015
16	To Act as Member of Small Dispute Resolution Committee	Small Dispute Resolution Committees (Constitution and Procedure) Rules, 2015	Section 4(1)(b)
17	To act as an Expert in the Companies Act, 2017	Companies Act, 2017	Section 2(30)
18	To act as Certifier in the memorandum and articles	Companies Act, 2017	Section 17(3)
19	To act as Auditor for making report in case of return as to allotments	Companies Act, 2017	Section 70(b)
20	To act as an Intermediary in terms of Section 455 of the Companies Act, 2017	Intermediaries (Registration) Regulations, 2017	Section 3(i)(b)
21	To act as an Internal Auditor in the listed companies	Code of Corporate Governance	Code of Corporate Governance
22	To carry out the Audit of Separated Accounts	PTA Accounting Separation Guidelines, 2007	Sub-Clause 9(1)
23	To act as an Expert in the Panel of Insolvency Experts	Corporate Rehabilitation Regulations, 2019	Sub-Clause 4(ii)
24	To act as a Provisional Manager and Official Liquidator	Panel of Provisional Managers and Official Liquidators Regulations, 2019	Sub-Clause 4(a)
25	To act as a member of ADRC	Income Tax Ordinance ,2001	Section 134 A

*The above furnished details are compiled to the best of our knowledge, however, Worthy Members are encouraged to provide their inputs and feedback on the above information.

TECHNICAL SUPPORT & PRACTICE DEVELOPMENT COMMITTEE