

SBP blocks \$65 million 'suspicious' transaction

Dawn February 23rd , 2015

ISLAMABAD: The State Bank is reported to have blocked an unusually large transaction of about \$65 million originating from Malaysia after a foreign bank generated a suspicious transaction report (STR).

Informed sources told Dawn that the foreign bank (Standard Chartered Bank) had generated the STR under the Anti-Money Laundering Act (AMLA) and sent it to the finance ministry's financial monitoring unit (FMU) and the SBP. The transaction was made to a joint account maintained by ZZ and NZ in Peshawar.

According to the sources, the Federal Investigation Agency (FIA) has sought the blocking of the transaction under the law till complete satisfaction of the authorities concerned. They said the money had been sent to the Peshawar account for onward investment in the newly launched housing scheme in Karachi.

Under the AMLA, banks and financial institutions are required to report suspicious transactions to the FMU. The unit and the FIA are then required to coordinate legal formalities with the central bank to block payments or freeze accounts.

The National Action Plan on counter-terrorism requires strict monitoring of banking transactions and active coordination among federal and provincial investigation agencies. So far about 500 accounts are reported to have been frozen under the AMLA and the counter-terrorism financing law.

State Bank's spokesman Khubaib Usmani said that since he had come to know about the transaction on the last working day, he would be able to say something after its verification on Monday

Clarification

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Apropos a report appearing in Dawn on Feb 23 headlined 'SBP blocks \$65 million suspicious transaction', the chief spokesman of State Bank of Pakistan has said it has not received such suspicious transaction report nor has blocked the transaction.