

AN  
ORDINANCE

*to provide for prevention of money laundering*

WHEREAS it is expedient to provide for prevention of money laundering and forfeiture of property derived from, or involved in, money laundering and for matters connected therewith or incidental thereto;

AND WHEREAS the National Assembly is not in session and the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 89 of the Constitution of the Islamic Republic of Pakistan, the President is pleased to make and promulgate the following Ordinance:-

**1. Short title, extent and commencement.-** (1) This Ordinance may be called the Anti-Money Laundering Ordinance, 2007.

(2) It extends to the whole of Pakistan.

(3) This section shall come into force at once and the remaining provisions shall come into force on such date as the Federal Government may, by notification in the official Gazette, appoint.

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

(a) “accounts transaction” means any facility or arrangement by which a financial institution does any one or more of the following acts, namely:-

- (i) accepts deposits of currency;
- (ii) allows withdrawal of currency or transfers into or out of the account;
- (iii) pays cheques or payment orders drawn on a financial institution or collects cheques or payment orders on behalf of a person;
- (iv) provides a facility or arrangement for a safety deposit box;
- (v) wire transfers; or
- (vi) allows any transaction which has the effect of any debit or credit entry in respect of particular accounts;

- (b) “attachment” means prohibition of transfer, conversion, disposition or movement of property by an order issued under section 8;
- (c) “CTR” means report on currency transactions exceeding such amount as may be specified by the National Executive Committee;
- (d) “Court” means the Court specified under section 20;
- (e) “Director General” means the Director General of FMU appointed under section 6;
- (f) “financial institutions” means entities licensed or supervised by SBP and non-banking finance companies as defined under the Companies Ordinance, 1984 (XLVII of 1984), and includes a foreign exchange company and a company managing, conducting or supervising a foreman, agent or, in any other capacity, any person or entities which conduct or engage in one or more of the financial activities or business, including insurance, trading in transferable securities and commodity futures trading;
- (g) “fiscal offence” means an offence punishable under the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Excise Act, 2005, the Customs Act, 1969 (IV of 1969), the Sales Tax Act, 1990 and any other law as the Federal Government may notify in this behalf;
- (h) “FMU” means the Financial Monitoring Unit established under section 6;
- (i) “foreign serious offence” means an offence –
- (i) against the law of a foreign State stated in a certificate issued by, or on behalf of, the government of that foreign State; and
  - (ii) which, had it occurred in Pakistan, would have constituted a predicate offence;
- (j) “intermediary” means a stock-broker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with securities market and registered under the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);
- (k) “investigating or prosecuting agency” means the National Accountability Bureau (NAB), Federal Investigation Agency (FIA), Anti-Narcotics Force (ANF) or any other law enforcement agency as may

be notified by the Federal Government for the investigation or prosecution of a predicate offence;

(l) “investigating officer” means the officer nominated or appointed under section 24;

(m) “National Executive Committee” means the National Executive Committee constituted under section 5;

(n) “non-financial businesses and professions” means real estate agents, jewelers, dealers in precious metals, precious stones, lawyers, notaries and other legal professionals, accountants, trust and company service providers and such other non-financial businesses and professions as may be notified by the Federal Government;

(o) “offence of money laundering” has the meaning as defined in section 3;

(p) “person” means an individual, a firm, an entity, an association or a body of individuals, whether incorporated or not, a company and every other juridical person.

(q) “prescribed” means prescribed by rules made under this Ordinance;

(r) “proceeds of crime” means any property derived or obtained directly or indirectly by any person from the commission of a predicate offence or a foreign serious offence;

(s) “property” means property or assets of any description, whether corporeal or incorporeal, movable or immovable, tangible or intangible, and includes deeds and instruments evidencing title to, or interest in, such property or assets, including cash and monetary instruments, wherever located;

(t) “predicate offence” means an offence specified in the Schedule to this Ordinance having nexus with money laundering, but does not include fiscal offence;

(u) “record” includes the records maintained in the form of books or stored in a computer or any electronic device, or such other form as may be prescribed;

(v) “SBP” means State Bank of Pakistan established under the State Bank of Pakistan Act, 1956 (XXXIII of 1956);

(w) “Schedule” means schedule to this Ordinance;

(x) “SECP” means Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);

(y) “Suspicious Transactions Report” means the report on suspicious accounts transactions specified under section 7; and

(z) “transfer” means sale, lease, purchase, mortgage, pledge, gift, loan, or any other form of transfer of right, title, possession or lien.

**3. Offence of money laundering.**— A person shall be guilty of offence of money laundering, if the person:

(a) acquires, converts, possesses or transfers property, knowing or having reason to believe that such property is proceeds of crime; or

(b) renders assistance to another person for the acquisition, conversion, possession or transfer of, or for concealing or disguising the true nature, origin, location, disposition, movement or ownership of property, knowing or having reason to believe that such property is proceeds of crime.

**4. Punishment for money laundering.**— Whoever commits the offence of money laundering shall be punishable with rigorous imprisonment for a term which shall not be less than one year but may extend to ten years and shall also be liable to fine which may extend to one million rupees and shall also be liable to forfeiture of property involved in the money laundering.

**5. National Executive Committee to combat money laundering.**—

(1) Within thirty days of the commencement of this Ordinance the Federal Government shall, by notification in the official Gazette, constitute a committee to be known as the National Executive Committee which shall consist of the following members, namely:—

(a) Minister for Finance or Advisor to the Prime Minister on Finance - *Chairman*

(b) Senior Advisor to the Prime Minister on Foreign Affairs, Law, Justice and Human Rights - *Member*

(c) Minister for Law and Justice - *Member*

(d) Minister for Interior - *Member*

- (e) Governor SBP - *Member*
- (f) Chairman SECP - *Member*
- (g) Director General - *Member*
- (h) any other Member to be nominated by the Federal Government.

(2) The Director General shall also act as Secretary of the National Executive Committee.

(3) The National Executive Committee shall—

- (a) meet regularly to develop, co-ordinate and publish an annual national strategy to fight money laundering;
- (b) determine offences existing in Pakistan that may be considered to be predicate offences for the purposes of this Ordinance;
- (c) provide guidance and sanction in framing of rules and regulations under this Ordinance;
- (d) make recommendations to the Federal Government for effective implementation of this Ordinance and framing of national policy to combat money laundering;
- (e) issue necessary directions to the agencies involved in the implementation and administration of this Ordinance;
- (f) discuss any other issue of national importance relating to money laundering; and
- (g) undertake and perform such other functions as assigned to it by the Federal Government, relating to money laundering.

(4) The National Executive Committee shall be assisted by a General Committee to be composed of—

- (a) Secretary Finance *Chairman*
- (b) Secretary Interior *Member*
- (c) Secretary Foreign Affairs *Member*
- (d) Secretary Law *Member*
- (e) Governor SBP *Member*
- (f) Chairman SECP *Member*

(g) Director General

*Member*

(h) any other Member to be nominated by the Federal Government.

(5) The Director General shall also act as Secretary of the General Committee.

(6) The General Committee may invite any person to participate in the meeting as it deems necessary.

(7) The General Committee shall, *inter alia*—

(a) take measures as necessary for development and review of performance of investigating agencies, FMU and the financial institutions and non-financial businesses and professions, relating to anti-money laundering;

(b) review training programs for Government, financial institutions, non-financial businesses and professions and other persons, relating to anti money laundering;

(c) provide necessary assistance to the National Executive Committee in carrying out its functions and duties under this Ordinance;

(d) discuss any other issue of national importance relating to money laundering; and

(e) undertake and perform such other functions as assigned to it by the National Executive Committee.

**6. Financial Monitoring Unit.-** (1) The Federal Government shall, by notification in the Official Gazette, establish a Financial Monitoring Unit which shall be housed in SBP or at any other place in Pakistan.

(2) The FMU shall have independent decision making authority on day-to-day matters coming within its areas of responsibility.

(3) A Director General who shall be a financial sector specialist who shall be appointed by the Federal Government in consultation with SBP to head FMU and exercise all powers and functions of the FMU subject to the supervision and control of the General Committee.

(4) The FMU shall exercise the following powers and perform the following functions, namely:-

- (a) to receive Suspicious Transactions Reports and CTRs from financial institutions and such non-financial businesses and professions as may be necessary to accomplish the objects of this Ordinance;
- (b) to analyse the Suspicious Transaction Reports and CTRs and in that respect the FMU may call for record and information from any agency in Pakistan (with the exception of income tax information) concerning the person in question. All such agencies shall be required to promptly provide the requested information;
- (c) to disseminate, after having considered the reports and having reasonable grounds to suspect, the Suspicious Transaction Reports and any necessary information to the investigating agencies concerned as described in clause (k) of section 2;
- (d) to create and maintain a data base of all Suspicious Transaction Reports and CTRs, related information and such other materials as the Director General determines are relevant to the work of the FMU and in that respect, the FMU is authorised to establish necessary analytic software and computer equipment to effectively search the data base, sort and retrieve information and perform real time linkages with databases of other agencies both in and outside Pakistan as may be required from time to time;
- (e) to co-operate with financial intelligence units and appropriate law enforcement authorities in other countries and to share and request information and documents;
- (f) to represent Pakistan at all international and regional organisations and groupings of financial intelligence units and other international groups and forums which address the offence of money laundering and other related matters;
- (g) to submit to the National Executive Committee an annual report containing recommendations based upon necessary information and statistics regarding countermeasures which can be taken to combat money laundering and such reports shall provide an overall analysis and evaluation of the Suspicious Transaction Reports limited to details of the investigations and prosecutions that have been or are being conducted in relation to the offence of money laundering in Pakistan;

- (h) to frame regulations in consultation with SBP and SECP for ensuring receipt of Suspicious Transaction Reports and CTRs from the financial institutions and non-financial businesses and professions with the approval of the National Executive Committee;
- (i) to engage a financial institution or an intermediary or such other non-financial businesses and professions or any of its officers as may be necessary for facilitating implementation of the provisions of this Ordinance, the rules or regulations made hereunder; and
- (j) to perform all such functions and exercise all such powers as are necessary for, or ancillary to, the attainment of the objects of this Ordinance.

(5) Subject to the regulations sanctioned by the National Executive Committee in this behalf, the Director-General may, if there appear to be reasonable grounds to believe that any property is involved in money laundering, order freezing of such property, for a maximum period of fifteen days, in any manner that he may deem fit in the circumstances.

**7. Procedure and manner of furnishing information by the financial institutions.-** (1) Every financial institution shall file with the FMU, to the extent and in the manner prescribed by the FMU, Suspicious Transaction Report conducted or attempted by, at or through that financial institution if the financial institution knows, suspects, or has reason to suspect that the transaction (or a pattern of transactions of which the transaction is a part):

- (a) involves funds derived from illegal activities or is intended or conducted in order to hide or disguise proceeds of crime;
- (b) is designed to evade any requirements of this section; or
- (c) has no apparent lawful purpose after examining the available facts, including the background and possible purpose of the transaction:

Provided that Suspicious Transaction Report shall be filed by the financial institution with the FMU immediately, but not later than seven working days after forming that suspicion.

(2) All CTRs shall, to the extent and in the manner prescribed by the FMU, be filed by the financial institutions with the FMU immediately,



but not later than seven working days, after the respective currency transaction.

(3) Every financial institution shall keep and maintain a record of all Suspicious Transactions Reports and CTRs filed by it for a period of five years subsequent to termination of its business relationship with the particular client whose transaction was reported by it under sub-sections (1) and (2).

(4) The provisions of this section shall have effect notwithstanding any obligation as to secrecy or other restriction on the disclosure of information imposed by any other law or written document.

(5) Notwithstanding anything contained in any other law for the time being in force, any Suspicious Transactions Reports required to be submitted by any person or entity to any investigating and prosecuting agencies shall, on the commencement of this Ordinance, be solely and exclusively submitted to FMU to the exclusion of all others.

**8. Attachment of property involved in money laundering.-** (1) The investigating officer may, on the basis of the report in his possession received from the concerned investigating agency, by order in writing, with prior permission of the Court, provisionally attach property, which he reasonably believes to be proceeds of crime or involved in money laundering for a period not exceeding ninety days from the date of the order.

(2) The investigating officer shall within forty-eight hours immediately after attachment under sub-section (1), forward a copy of the order, along with the material in his possession, referred to in that sub-section, to the head of the concerned investigating agency, in a sealed envelope, in the manner as may be prescribed, and the concerned investigating agency, shall keep such order and material for such period as may be prescribed.

(3) Every order of attachment made under sub-section (1) shall cease to have effect after the expiry of the period specified in that sub-section or on the date of the finding made under sub-section (2) of section 9 whichever is earlier.

(4) Nothing in this section shall prevent the person interested in the enjoyment of the immovable property attached under sub-section (1) from such enjoyment.

*Explanation.-* For the purposes of this sub-section, “person interested”, in relation to any immovable property, includes all persons claiming or entitled to claim any interest in the property.

(5) The investigating officer who provisionally attaches any property under sub-section (1) shall, within a period of thirty days from such attachment, file a complaint stating the facts of such attachment before the Court.

**9. Investigation.-** (1) The investigating officer shall, not later than seven days from the date of order of attachment made under sub-section (1) of section 8 or, seizure of property under section 14 or section 15, serve a notice of not less than thirty days on the person concerned. The notice shall call upon such person to indicate the sources of his income, earning or assets, out of which or by means of which he has acquired the property attached under sub-section (1) of section 8, or, seized under section 14 or section 15, the evidence on which he relies and other relevant information and particulars, and to show cause why all or any of such properties should not be declared to be the properties involved in money laundering and forfeited by the Federal Government:

Provided that where a notice under this sub-section specifies any property as being held by a person on behalf of any other person, a copy of such notice shall also be served upon such other person:

Provided further that where such property is held jointly by more than one person, such notice shall be served upon all persons holding such property.

- (2) The investigating officer shall, after-
- (a) considering the reply, if any, to the notice issued under sub-section (1);
  - (b) hearing the aggrieved person; and
  - (c) taking into account all relevant materials placed on record before him;

record a finding whether all or any other properties referred to in the notice issued under sub-section (1) are involved in money laundering:

Provided that if the property is claimed by a person, other than a person to whom the notice had been issued, such person shall also be given an opportunity of being heard to prove that the property is not involved in money laundering.

- (3) Where the investigating officer on the basis of report received from the concerned investigating agency decides under sub-section (2) that any

property is involved in money laundering, he shall, apply to the Court for an order confirming the attachment of the property made under sub-section (1) of section 8 or retention of property or record seized under section 14 or section 15. Such attachment or retention of the seized property or record shall-

- (a) continue during the pendency of the proceedings relating to any predicate offence or money laundering before a court; and
- (b) become final if it is proved in the court that the property is proceeds of crime or involved in money laundering and order of such court becomes final.

(4) Where the provisional order of attachment made under sub-section (1) of section 8 has been confirmed under sub-section (3), the investigating officer shall forthwith take possession of the attached property:

Provided that where the property seized is perishable in nature or subject to speedy and natural decay, or when the expense of keeping it in custody is likely to exceed its value, the Court may, on the application of the investigating officer, order immediate sale of the property in any manner deemed appropriate in the circumstances.

(5) Where on conclusion of a trial for any predicate offence or money laundering, the person concerned is acquitted, the attachment of the property or retention of the seized property or record under sub-section (3) and net income, if any, shall cease to have effect.

(6) Where the attachment of any property or retention of the seized property or record becomes final under clause (b) of sub-section (3), the Court shall, after giving an opportunity of being heard to the person concerned, make an order for forfeiture of such property.

**10. Vesting of property in Federal Government.-** Where an order of forfeiture has been made under sub-section (6) of section 9 in respect of any property of a person, all the rights and title in such property shall vest absolutely in the Federal Government free from all encumbrances:

Provided that where the Court, after giving an opportunity of being heard to any other person interested in the property attached under section 8, or seized under section 14, is of the opinion that any encumbrance on the property or leasehold interest has been created with a view to defeat the provisions of this Ordinance, it may, by order, declare such encumbrance or lease-hold interest to be void and thereupon the aforesaid

property shall vest in the Federal Government free from such encumbrances or lease-hold interest:

Provided further that nothing in this section shall operate to discharge any person from any liability in respect of such encumbrances, which may be enforced against such person by a suit for damages.

**11. Management of forfeited properties.-** (1) The Federal Government may, by order published in the Official Gazette, appoint as many trustees and receivers as it thinks fit to perform the functions of an Administrator.

(2) The Administrator appointed under sub-section (1) shall receive and manage the property in relation to which an order has been made under sub-section (6) of section 9 in such manner and subject to such conditions as may be prescribed.

(3) The Administrator shall also take such measures, as the Federal Government may direct, to dispose of the property which is vested in the Federal Government under section 10;

Provided that, where the property seized is perishable in nature or subject to speedy and natural decay, or when the expense of keeping it in custody is likely to exceed its value, the Administrator may sell it at once after reasonable notice to the Federal Government.

**12. No civil or criminal proceedings against banking companies, financial institutions, etc., in certain cases.-** Save as otherwise provided in section 7, the financial institutions, non-financial businesses and professions, intermediaries and their officers shall not be liable to any civil, criminal or disciplinary proceedings against them for furnishing information required under this Ordinance or the rules made hereunder.

**13. Power of survey.-** (1) Notwithstanding anything contained in any other provisions of this Ordinance, where an investigating officer, on the basis of material in his possession, has reasons to believe that an offence of money laundering has been committed, he may, with the permission of the Court, enter any place,-

- (a) within the limits of the area assigned to him; or
- (b) in respect of which he is authorized for the purposes of this section by such other authority who is assigned the area within which such place is situated,

at which any act constituting the commission of such offence is carried on, and may require any proprietor, employee or any other person who may at that time and place be attending in any manner to, or helping him in, such act so as to,-

- (i) afford him the necessary facility to inspect such record as he may require and which may be available at such place;
- (ii) afford him the necessary facility to check or verify the proceeds of crimes or any transaction related to proceeds of crimes which may be found therein; and
- (iii) furnish such information as he may require as to any matter which may be useful for, or relevant to, any proceedings under this Ordinance.

*Explanation.-* For the purpose of this sub-section, a place, where an act which constitutes the commission of the offence is carried on, shall also include any other place, whether any activity is carried on therein or not, in which the person carrying on such activity states that any of his records or any part of his property relating to such act are or is kept.

(2) The investigating officer referred to in sub-section (1), shall, after entering any place referred to in that sub-section and within forty-eight hours immediately after completion of survey, forward a copy of the report on survey, along with the reasons and copies of the material in his possession, to the head of the concerned investigating agency in a sealed envelope and shall keep such record and material in such manner and for such period, as may be prescribed.

- (3) The investigating officer acting under this section may,-
- (a) place marks of identification on the records inspected by him and make or cause to be made extracts or copies there from.
  - (b) make an inventory of any property checked or verified by him, and
  - (c) record the statement of any person present in the place which may be useful for or relevant to any proceeding under this Ordinance.

**14. Search and seizure.-** (1) Subject to sub-section (2), where the investigating officer, on the basis of information in his possession, has reason to believe that any person,-

- (a) has committed any act which constitutes money-laundering,

- (b) is in possession of any proceeds of crime involved in money laundering, or
- (c) is in possession of any records relating to money-laundering,

then, subject to the rules made in this behalf, he may either authorize any officer subordinate to him, or himself to,-

- (i) enter and search any building, place, vessel, vehicle or aircraft where he has reason to suspect that such records or proceeds of crime are kept;
- (ii) break open the lock of any door, box locker, safe, almirah or other receptacles for exercising the powers conferred by clause (a) where the keys thereof are not available;
- (iii) seize any record or property found as a result of such search;
- (iv) place marks of identification on such record or make, or cause to be made, extracts or copies there from;
- (v) make a note or any inventory of such record property;
- (vi) examine on oath any person, who is found to be in possession or control of any record or property, in respect of all matters relevant for the purposes of any investigation under this Ordinance.

(2) The powers to search under sub-section (1) shall be exercisable by the investigating officer with the prior permission of the Court.

(3) The investigating officer shall, within forty-eight hours immediately after search and seizure, forward a copy of the report on search and seizure, along with the reasons and copies of the material in his possession, to the head of the concerned investigating agency in a sealed envelope and shall keep such record and material in such manner and for such period, as may be prescribed.

(4) Where the investigating officer, upon information obtained during survey under section 13, is satisfied that any evidence shall be or is likely to be concealed or tampered with, he may, for reasons to be recorded in writing, enter and search the building or place where such evidence is located and seize that evidence.

(5) The investigating officer, seizing any record or property under this section, shall, within a period of thirty days from such seizure, file an

application, requesting for retention of such record or property before the Court.

**15. Search of persons.-** (1) If an investigating officer, has reason to believe (the reason for such belief to be recorded in writing) that any person has secreted about the person or anything under his possession, ownership or control, any record or proceeds of crime which may be useful for or relevant to any proceedings under this Ordinance, he may, with the prior permission of the Court, search that person and seize such record or property which may be useful for or relevant to any proceedings under this Ordinance.

(2) The investigating officer shall, within forty-eight hours immediately after search and seizure, forward a copy of the report on search and seizure, along with the reasons and material in his possession, to the head of the concerned investigating agency in a sealed envelope and shall keep such record and material in such manner and for such period, as may be prescribed.

(3) Where an investigating officer is about to search any person and if arrest of such person is necessary, he shall take such person within twenty-four hours to the nearest Judicial Magistrate:

Provided that the period of twenty-four hours shall exclude the time necessary for the journey undertaken to take such person to the nearest Magistrate's Court.

(4) If the requisition under sub-section (3) is made, the investigating officer shall not detain the person for more than twenty-four hours and if the detention of such person is required for more than twenty-four hours, the investigating officer shall obtain order from Judicial Magistrate which period shall in no case exceed fifteen days.

(5) The Magistrate before whom any such person is brought shall, if he sees no reasonable ground for search, forthwith discharge such person.

(6) No female shall be searched by any one except a female.

(7) The investigating officer shall record the statement of the person searched under sub-section (1) or sub-section (5) in respect of the records or proceeds of crime found or seized in the course of the search.

(8) The investigating officer, seizing any record or property under sub-section (1) shall, within a period of thirty days from such seizure, file an application requesting for retention of such record or property before the Court.

**16. Power to arrest.-** (1) If the investigating officer or any other officer of the agency referred to in sub-section (2) of section 24 authorized in this behalf by the Federal Government by general or special order, has, on the basis of material in his possession, reason to believe (the reason for such belief to be recorded in writing) that any person has been guilty of an offence punishable under this Ordinance, he may after obtaining warrant from the Court or the nearest Judicial Magistrate arrest such person and shall, as soon as may be, inform him of the grounds for such arrest.

(2) The investigating officer or any other officer, as the case may be, shall, immediately after arrest of such person under sub-section (1) forward a copy of the order along with the material in his possession referred to in that sub-section to the head of the concerned investigating agency in a sealed envelop in the manner, as may be prescribed and such agency shall keep such order and material for such period as may be prescribed.

(3) Every person arrested under sub-section (1) shall within twenty-four hours taken to a judicial magistrate having jurisdiction:

Provided that the period of twenty-four hours shall exclude the time necessary for the journey from the place of arrest to the Magistrate's court.

**17. Retention of property.-** (1) Where any property has been seized under section 14 or section 15 and the investigating officer has, on the basis of material in his possession, reason to believe that such property is required to be retained for the purposes of adjudication under section 9 such property may be retained for a period not exceeding sixty days from the time such property was seized:

Provided that the investigating officer shall duly inform the Court about any peculiar nature of the seized property and, where necessary, seek appropriate directions for its proper care during retention.

(2) The investigating officer, immediately after he has passed an order for retention of property for purposes of adjudication under section 9, shall forward a copy of the order along with the material in his possession, referred to in sub-section (1) to the head of the concerned investigating agency, in a sealed envelop, in the manner as may be prescribed, and the agency shall keep such record and material for such period as may be prescribed.



(3) On the expiry of the period specified under sub-section (1), the property shall be returned to the person from whom such property was seized unless the Court permits retention of such property beyond the said period.

(4) The Court, before authorizing the retention of such property beyond the period specified in sub-section (1), shall satisfy itself that the property is prime facie involved in money laundering and the property is required for the purposes of adjudication under section 9.

(5) After passing the order of forfeiture under sub-section (6) of section 9, the Court shall direct the release of all properties other than the properties involved in money laundering to the persons from whom such properties were seized.

**18. Retention of records.-** (1) Where any record has been seized under section 14 or section 15 and the investigating officer has reason to believe that any of such records are required to be retained for an inquiry under this Ordinance, he may retain such records for a period not exceeding sixty days from the time the record was seized.

(2) The person, from whom records were seized, shall be entitled to obtain copies of records retained under sub-section (1).

(3) On the expiry of the period specified under sub-section (1), the records shall be returned to the person from whom such records were seized unless the Court permits retention of such records beyond the said period.

(4) The Court before authorizing the retention of such records beyond the period mentioned in sub-section (1) shall satisfy itself that the records were required for the purposes of investigation under section 9.

(5) After passing of an order of forfeiture under sub-section (6) of section 9, the Court shall direct the release of the records to the person from whom such records were seized.

**19. Presumption as to records or property in certain cases.-** Where any document of public record is found in the possession or control of any person in the course of a survey or a search relating to any predicate offence or where any records have been received from any place outside Pakistan duly authenticated by such authority or person and in such manner as may be prescribed in the course of proceedings under this Ordinance, the Court or the investigating agency as the case may be, shall

- (a) presume, that the signature and every other part of such record which purports to be in the hand writing of any particular person or which the Court may reasonably assume to have been signed, by or to be in the hand writing of, any particular person, is in that person's hand writing; and in the case of a record executed or attested, that it was executed or attested by the person by whom it purports to have so executed or attested; and
- (b) admit the document in evidence, notwithstanding that it is not duly stamped, if such document is otherwise admissible in evidence.

**20. Jurisdiction.-** (1) The Court of Sessions established under the Code of Criminal Procedure, 1898 (V of 1898) shall, within its territorial jurisdiction, exercise jurisdiction to try and adjudicate the offences punishable under this Ordinance and all matters provided in, related to or arising from this Ordinance:

Provided,-

- (a) where the predicate offence is triable by any court other than the Court of Session, the offence of money laundering and all matters connected therewith or incidental thereto shall be tried by the Court trying the predicate offence; and
- (b) where the predicate offence is triable by any court inferior to the Court of Session, such predicate offence, the offence money laundering and all matters connected therewith or incidental thereto shall be tried by the Court of Session.

**21. Offences to be non-cognizable and non-bailable.-** (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act V of 1898) and subject to sub-sections (2) and (3),-

- (a) every offence punishable under this Ordinance shall be non-cognizable and non-bailable;
- (b) no person accused of an offence punishable under this Ordinance for a term of imprisonment of more than three years shall be released on bail or on his own bond unless-
  - (i) the Public Prosecutor has been given due notice; and
  - (ii) where the Public Prosecutor opposes the application, the Court is satisfied that there are reasonable grounds for

believing that he is not guilty of such offence and that he is not likely to commit any offence while on bail.

(2) The Court shall not take cognizance of any offence punishable under section 4 except upon a complaint in writing made by,-

- (a) the investigating officer; or
- (b) any officer of the Federal Government or a Provincial Government authorized in writing in this behalf by the Federal Government by a general or special order made in this behalf by that Government:

Provided that where the person accused is a financial institution, the investigating officer or any other authorized officer, as the case may be shall, before filing such complaint, seek the approval of the FMU.

(3) The Court shall not take cognizance of any offence punishable under sub-section (1) of section 33 except upon a complaint in writing made by the FMU.

(4) The power and discretion on granting of bail specified in clause (b) of sub-section (1) are in addition to the power and discretion under the Code of Criminal Procedure, 1898 (Act V of 1898), or any other law for the time being in force on granting of bail.

**22. Application of Code of Criminal Procedure, 1898 (Act V of 1898) to proceedings before Courts.-** (1) The provisions of the Code of Criminal Procedure, 1898 (Act V of 1898) shall, in so far as they are not inconsistent with the provisions of this Ordinance, apply to arrest, bail, bonds, search, seizure, attachment, forfeiture, confiscation, investigation, prosecution and all other proceedings under this Ordinance.

(2) The Federal Government may appoint a person who is an advocate of a High Court to be a Public Prosecutor on such terms and conditions as may be determined by it and any person so appointed shall be competent to conduct proceedings under this Ordinance before a Court and, if so directed by the Federal Government, to withdraw such proceedings:

Provided that a person shall not be qualified to be appointed as a Public Prosecutor under this section unless he has been in practice as an Advocate for not less than seven years in the High Court.

(3) Every person appointed as a Public Prosecutor under this section shall be deemed to be a Public Prosecutor within the meaning of clause

(t) of section 2 of the Code of Criminal Procedure, 1898 (Act V of 1898), and the provisions of that Code shall have effect accordingly.

(4) When a Prosecutor appointed under sub-section (1), is, for any reason, temporarily unable to conduct proceedings before the Court, the proceedings shall be conducted by such person as may be authorized in this behalf by the Court.

**23. Appeal to High Court.-** Any person aggrieved by any final decision or order of the Court may prefer an appeal to the High Court within sixty days from the date of communication of the decision or order on any question of law or fact arising out of such decision or order:

Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be submitted within a further period not exceeding sixty days.

Explanation.- For the purposes of this section, “High Court” means,-

- (a) the High Court within the jurisdiction of which the aggrieved party ordinarily resides or carries on business or personally works for gain; and
- (b) where the Federal Government is the aggrieved party, the High Court within the jurisdiction of which the respondent, or in a case where there are more than one respondent, any of the respondents, ordinarily resides or carries on business or personally works for gain.

**24. Appointment of investigating officers and their powers.-** (1) The investigating agencies, as provided in clause (l) of section 2, may nominate such persons as they think fit to be the investigating officers under this Ordinance from amongst their officers.

(2) The Federal Government may, by special or general order, empower an officer not below BPS-18 of the Federal Government or of a Provincial Government to act as an investigating officer under this Ordinance.

(3) Where any person other than a Federal or Provincial Government Officer is appointed as an investigating officer, the Federal Government shall also determine the terms and conditions of his appointment.

(4) Subject to such conditions and limitations as the Federal Government may impose, an investigating officer may exercise the

powers and discharge the duties conferred or imposed on him under this Ordinance.

**25. Officers to assist in inquiry, etc.-** The officers of the Federal Government, Provincial Government and local authorities, financial institutions are hereby empowered to assist the investigating officers and agencies and other authorities in the enforcement of this Ordinance.

**26. Agreements with foreign countries.-** (1) The Federal Government may enter into an agreement on reciprocal basis with the Government of any country outside Pakistan for-

- (a) enforcing the provisions of this Ordinance;
- (b) exchange of information for the prevention of any offence under this Ordinance or under the corresponding law in force in that country;
- (c) seeking or providing of assistance or evidence in respect of any offence under this Ordinance or under the corresponding law in force in that country ;
- (d) transfer of property relating to any offence under this Ordinance or under the corresponding law in force in that country .

(2) The agreement in terms of sub-section (1) shall be subject to such conditions, exceptions or qualifications as may be specified in the said agreement:

Provided that the agreement shall not be enforceable if it may, in any manner, be prejudicial to the sovereignty, security, national interest or public order.

(3) In this section and the succeeding sections, unless the context otherwise requires,-

- (a) “contracting State” means any country or place outside Pakistan in respect of which arrangements have been made by the Federal Government with the Government of such country through a treaty or otherwise;
- (b) “identifying” includes establishment of a proof that the property was derived from, or used in, the commission of an offence under section 3; and

- (c) “tracing” means determining the nature, source, disposition, movement, title or ownership of property.

**27. Letter of request to a contracting State etc.-**(1) Notwithstanding anything contained in this Ordinance or the Code of Criminal Procedure, 1898 (Act V of 1898), if, in the course of an investigation into an offence or other proceedings under this Ordinance, the investigating officer or any officer superior in rank to the investigating officer believes that any evidence is required in connection with investigation into an offence or proceedings under this Ordinance and he is of opinion that such evidence may be available in any place in the contracting State, he may, with the prior permission of the head of that investigation agency, issue a letter of request to a court or an authority in the contracting State competent to deal with such request to –

(a) examine facts and circumstances of the case; and

(b) take such steps as he may specify in such letter of request.

(2) The letter of request shall be transmitted in such manner as the Federal Government may specify in this behalf.

(3) Every statement recorded or document or thing received under subsection (1) shall be deemed to be the evidence collected during the course of investigation.

**28. Assistance to a contracting State in certain cases.-** Where a letter of request is received by the Federal Government from a court or authority in a contracting State requesting for investigation into an offence or proceedings under this Ordinance or under the corresponding law in force in that country, the Federal Government may forward such letter of request to the Court or to the authorized officer or any authority under this Ordinance as it thinks fit for execution of such request in accordance with the provisions of this Ordinance or, in the manner sought by the contracting state so long as doing so would not violate laws of Pakistan or is, in any manner, not prejudicial to the sovereignty, security, national interest or public order.

**29. Reciprocal arrangements for processes and assistance for transfer of accused persons.-** (1) Where a Court, in relation to the offence of money laundering, desires that,-

(a) a summons to an accused person;

(b) a warrant for the arrest of an accused person;

(c) a summons to any person requiring him to attend and produce a document or other thing or to produce it, or

- (d) a search warrant,

issued by it shall be served or executed at any place in any contracting State, it shall send such summons or warrant in duplicate in such form, to such court, judge or magistrate through such authorities as the Federal Government may specify in this behalf and that court, judge or magistrate, as the case may be, shall cause the same to be executed.

(2) Where a Court, in relation to an offence punishable under section 4, has received for service or execution,-

- (a) a summons to an accused person;
- (b) a warrant for the arrest of an accused person;
- (c) a summons to any person requiring him to attend and produce a document or other thing, or to produce it; or
- (d) a search warrant, issued by a court, judge or magistrate in a contracting State, it shall cause the same to be served or executed as if it were a summons or warrant received by it from another court in the said territories for service or execution within its local jurisdiction; and where;
  - (i) a warrant of arrest has been executed, the person arrested shall be dealt with in accordance with the procedure specified under section 16;
  - (ii) search warrant has been executed, the things found in this search shall, so far as possible, be dealt with in accordance the procedure specified under section 14 and 15:

Provided that the provisions of this sub-section shall not have effect if the exercise of power hereunder is, in any manner, likely to prejudice the sovereignty, security, national interest or public order.

(3) Where a person transferred to a contracting State pursuant to sub-section (2) is a prisoner in Pakistan, the Court or the Federal Government may impose such conditions as that Court or Government deems fit.

(4) Where the person transferred to Pakistan pursuant to sub-section (1) is a prisoner in a contracting State, the Court in Pakistan shall ensure that the conditions subject to which the prisoner is transferred to Pakistan are complied with and such prisoner shall be kept in such custody subject to such conditions as the Federal Government may direct in writing.

**30. Attachment, seizure and forfeiture etc., of property in a contracting State or Pakistan.-** (1) Where the investigating officer has

made an order for attachment of any property under section 8 or where the court has made an order confirming such attachment or forfeiture of any property under section 9 and such property is suspected to be in a contracting state, the Court on an application by the investigating officer, may issue a letter of request to a Court or an authority in the contracting state for execution of such order.

(2) Where a letter of request is received by the Federal Government from a court in a contracting State requesting attachment or forfeiture of the property in Pakistan derived or obtained, directly or indirectly, by any person from the commission of an offence under section 3 committed in that contracting State, the Federal Government may forward such letter of request to the investigating agency, as it thinks fit, for execution in accordance with the provisions of this Ordinance or permit execution of the request in the manner sought by the contracting state so long as doing so would not violate Law of Pakistan or is, in any manner, not prejudicial to the sovereignty, security, national interest or public order.

(3) The Federal Government may, on receipt of a letter of request under section 27 or section 28, direct any investigating agency under this Ordinance to take all steps necessary for tracing and identifying such property.

(4) The steps referred to in sub-section (3) may include any inquiry, investigation or survey in respect of any person, place, property, assets, documents, books of accounts in any bank or financial institution or any other relevant matters.

(5) Any inquiry, investigation, or survey referred to in sub-section (4) shall be carried out by an agency mentioned in sub-section (3) in accordance with such directions issued in accordance with the provisions of this Ordinance.

(6) The provisions of this Ordinance relating to attachment, adjudication, forfeiture vesting of property in the Federal Government, survey, search and seizures shall apply to the property in respect of which letter of request is received from a court or contracting State for attachment or forfeiture of property.

**31. Procedure in respect of letter of request.**- Every letter of request summons or warrant, received by the Federal Government from, and every letter of request, summons or warrant, to be transmitted to a contracting State under this Ordinance shall be transmitted to a contracting State or, as the case may be, sent to the concerned Court in Pakistan in such form and in such manner as the Federal Government may specify in this behalf.



**32. Punishment for vexatious survey and search.**- Any investigating officer exercising powers under this Ordinance or any rules made hereunder, who, without prior permission from the Court,-

- (a) surveys or searches, or causes to be surveyed or searched, any building or place; or
- (b) detains or searches or arrests any person,

shall for every such offence be liable on conviction for imprisonment for a term which may extend to two years or fine which may extend to fifty thousand rupees or both.

**33. Liability for failure to file Suspicious Transaction Report and for providing false information.**- (1) Whoever willfully fails to comply with the suspicious transaction reporting requirement as provided in section 7 or give false information shall be liable for imprisonment for a term which may extend to three years or with fine which may extend to one hundred thousand rupees or both.

(2) In the case of the conviction of a financial institution, the SBP or SECP, whosoever is the regulator, may also revoke its licence or take such other administrative action, as it deems appropriate.

**34. Disclosure of information.** - (1) The directors, officers, employees and agents of any financial institution, non-financial business or profession or intermediary which report a suspicious transaction or CTR pursuant to this law or any other authority, are prohibited from notifying any person involved in the transaction that the transaction has been reported.

(2) A violation of the sub-section (1) is a criminal offence and shall be punishable by a maximum term of three years imprisonment or a fine of rupees one hundred thousand or both.

(3) Any confidential information furnished by a financial institution, non-financial business and profession, intermediary or any other person under or pursuant to the provisions of this Ordinance, shall, as far as possible, be kept confidential by the FMU, investigation agency or officer as the case may be.

**35. Bar of jurisdiction.**- (1) No suit shall be brought in any Court to set aside or modify any proceeding taken or order made under this Ordinance and no prosecution, suit or other proceedings shall lie against the Federal Government, or any officer of the Government, or FMU, its

officers or any agency controlled or supervised by the Government, or members of the National Executive Committee or General Committee, for anything done or intended to be done in good faith under this Ordinance.

(2) No Court shall have jurisdiction to entertain any suit or proceedings in respect of any matter which the investigating officer and Committee or the Court is empowered by or under this Ordinance to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Ordinance.

**36. Notices, etc. not to be invalid on certain grounds.-** No notice, summons, order, document or other proceeding, furnished or made or issued or taken or purported to have been furnished or made or issued or taken in pursuance of any of the provisions of this Ordinance shall be invalid, or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such notice, summons, order, documents or other proceedings if such notice, summons, order, document or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Ordinance.

**37. Offences by companies.-**(1) Where a person committing a contravention of any of the provisions of this Ordinance or of any rule, direction, or order made hereunder is a company, every person who, at the time the contravention was committed, was responsible for such contravention in the conduct of the business of company shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to punishment if he proves that the contravention took place without his knowledge or that he exercised all due diligence to prevent such contravention.

(2) Notwithstanding anything in sub-section (1) where a contravention of any of the provisions of this Ordinance or of any rule, direction or order made hereunder has been committed by a company and it is proved that the contravention has taken place with the consent, connivance or knowledge of any director, manager, secretary or other officer of any company, such director, manager, secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

Explanation.- For the purposes of this section,-

- (a) “company” means any body corporate and includes a firm or other association of individuals; and
- (b) “director” in relation to a firm, means a partner in the firm.

**38. Continuity of proceedings in the event of death or insolvency.-**

(1) Where,-

- (a) any property of a person has been attached under this Ordinance and no representation against the order attaching such property has been preferred; or
- (b) any representation has been preferred to the Court, and
  - (i) in a case referred to in clause (a) such person dies or is adjudicated as insolvent before preferring representation to the Court; or
  - (ii) in a case referred to in clause (b), such person dies or is adjudicated as insolvent during the pendency of representation,

then it shall be lawful for the legal representatives of such person or the official assignee or the official receiver, as the case may be, to prefer representation to the Court, or as the case may be to continue the representation before the Court, in the place of such person.

(2) Where,-

- (a) after passing of a decision or order by the Court, no appeal has been preferred to the High Court under section 23; or
- (b) any such appeal has been preferred to the High Court,-  
then-
  - (i) in a case referred to in clause (a), the person entitled to file the appeal dies or is adjudicated an insolvent before preferring an appeal to the High Court, or
  - (ii) in a case referred to in clause (b), the person who had filed the appeal dies or is adjudicated as insolvent during the

pendency of the appeal before the High Court,

then, it shall be lawful for the legal representatives of such person, or the official assignee or the official receiver, as the case may be, to prefer an appeal to the High Court or to continue the appeal before the High Court in place of such person and the provision of section 23 shall, so far as may be, apply, or continue to apply, to such appeal.

(3) The powers of the official assignee or the official receiver under sub-section (1) or sub-section (2) shall be exercised by him subject to the provisions of the Insolvency (Karachi Division) Act, 1909 (III of 1909) or the Provincial Insolvency Act, 1920 (V of 1920) as the case may be.

**39. Ordinance to have overriding effect.-** (1) Subject to sub-section (2), the provisions of this Ordinance shall have effect notwithstanding anything inconsistent contained in any other law for the time being in force.

(2) The provisions of this Ordinance shall be in addition to, and not in derogation of, the Control of Narcotics Substances Act, 1997 (XXV of 1997), the Anti-terrorism Act, 1997 (XXVII of 1997) and the National Accountability Ordinance, 1999 (XVIII of 1999).

**40. Members etc., to be public servants.-** The Director General, Members of the National Executive Committee and General Committee, and other officers and employees of the FMU, investigating officer and the officers subordinate to him shall be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code (Act XLV of 1860).

**41. Ordinance not to apply to certain offences.-** Nothing in this Ordinance shall apply to fiscal offences.

**42. Power to amend the Schedule.-** The Federal Government may, by notification in the official Gazette, amend the Schedule to this Ordinance so as to add any entry thereto or modify or omit any entry therein.

**43. Power to make rules.-** The Federal Government may in consultation with the National Executive Committee, and by notification in the Official Gazette, make rules for carrying out the purposes of this Ordinance.

**44. Power to make regulations.-** Subject to the supervision and control of the National Executive Committee, FMU may, by notification

in the official Gazette, make such regulations as may be necessary for carrying out its operations and meeting the objects of this Ordinance.

**45. Power to remove difficulties.-** If any difficulty arises in giving effect to the provisions of this Ordinance, the Federal Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Ordinance as may appear to be necessary for removing the difficulty.

## **SCHEDULE**

**[See section 2(w)]**

**(1) The Pakistan Penal Code, 1860 (XLV of 1860)**

1	121	Waging, or attempting to wage war, or abetting of war against Pakistan.
2	121-A	Conspiracy to commit offence punishable by section 121.
3	122	Collecting arms, etc. with intention of waging war against Pakistan.
4	161	Public servant taking gratification other than legal remuneration in respect of an official act.
5	162	Taking gratification, in order, by corrupt or illegal means, to influence public servant.
6	163	Taking gratification, for exercise of personal influence with public servant.
7	164	Punishment for abetment by public servant of offences defined

		in section 162 or 163.
8	165	Public servant obtaining valuable thing, without consideration from person concerned in proceeding or business transacted by such public servant.
9	165A	Punishment for abetment of offences defined in section 161.
10	300	Qatl-i-amd
11	315	Qatl Shibh-i-amd.
12	337K	Causing hurt to extort confession or to compel restoration of property.
13	359	Kidnapping.
14	360	Kidnapping from Pakistan etc.
15	365A	Kidnapping or abducting for extorting property, valuable security etc.
16	370	Buying or disposing of any person as a slave.
17	378	Theft.
	380	Theft in dwelling house, etc.
18	381	Theft by clerk or servant of property in possession of master.
19		
20	381A	Theft of a car or other motor vehicle.
21	382	Theft after preparation made for causing death, hurt or restraint, in order to the committing of the theft.
22	383	Extortion

23	385	Putting person in fear of injury in order to commit extortion.
24	390	Robbery; when theft is robbery; when extortion is robbery.
25	391	Dacoity.
26	405	Criminal Breach of Trust.
27	411	Dishonestly receiving stolen property.
28	412	Dishonestly receiving stolen property in the commission of a dacoity
29	413	Habitually dealing in stolen property.
30	415	Cheating.
31	416	Cheating by personation.
32	421	Dishonest or fraudulent removal or concealment of property to prevent distribution among creditors
33	422	Dishonestly or fraudulently preventing debt being available for creditors
34	423	Dishonest or fraudulent execution of fees of transfer containing false statement of consideration
35	424	Dishonest or fraudulent removal or concealment of property
36	463	Forgery.
37	464	Making a false document.
38	467	Forgery of valuable security, will, etc.
39	468	Forgery for the purpose of cheating.
40	477	Fraudulent cancellation,





destruction, etc., of will, authority to adopt, or valuable security.

- |    |      |   |
|----|------|---|
| 41 | 477A | Falsification of accounts.  |
| 42 | 489A | Counterfeiting currency-notes or bank notes.  |
| 43 | 489B | passing as genuine, forged or counterfeit currency notes or bank-notes.                                   |
| 44 | 489C | possession of forged or counterfeit currency-notes or bank notes.   |
| 45 | 489D | making or possessing instruments or materials for forging or counterfeiting currency-notes or bank notes. |
| 46 | 489E | Making or using documents resembling currency-notes or bank notes.  |

**(2) National Accountability Ordinance, 1999 (XVIII of 1999)**

- |    |   |                                   |
|----|---|-----------------------------------|
| 47 | 9 | Corruption and Corrupt Practices. |
|----|---|-----------------------------------|

**(3) Control of Narcotic Substance Act, 1997 (XXV of 1997)**

- |     |    |   |
|-----|----|---|
| 48  | 4  | Prohibition of cultivation of narcotic plants.  |
| 49  | 6  | Prohibition of possession of narcotic drugs.  |
| 50  | 7  | Prohibition of import or export of narcotic drugs.  |
| 51. | 8  | Prohibition on trafficking or financing the trafficking of narcotic drugs.                |
| 52. | 10 | Prohibition on owning, operating premises or machinery for manufacture of narcotic drugs. |
| 53. | 11 | Prohibition on aiding, abetment or association in narcotic offences.                      |
| 54. | 12 | Prohibition of acquisition and possession of assets derived from narcotic offences.       |
| 55. | 41 | Prohibition of alienation of frozen property.   |
| 56. | 42 | Prohibition of acquiring property in relation to  |

which proceedings have been taken under the Act.

**(4) The Anti-Terrorism Act, 1997 (XXVII of 1997)**

57. All offences under this Act prescribing minimum punishment for a period of over one year.

**(5) The Securities and Exchange Ordinance, 1969 (XVII of 1969)**

58. All offences under this Ordinance prescribing minimum punishment for a period of over one year.

GENERAL  
PERVEZ MUSHARRAF,  
*President*