

PTBA's reservations on some provisions of AMLA 2010

Pakistan Tax Bar Association (PTBA) has expressed serious reservations on some provisions of Anti-Money Laundering Act (AMLA) 2010. In a letter sent to the chairman FBR, the association said money laundering and terrorism financing were very serious offences and the government of Pakistan deserved lot of appreciation for the landmark legislation of aforesaid act and amendments thereof.

It said that there were certain provisions of law under the AMLA 2010 which were not in accordance with the international laws and best practices and had distorted the intent of anti money laundering law as well. The PTBA said the federal government had appointed Director General Intelligence and Investigation Inland Revenue, FBR (I & I Dept.), as investigation and prosecution agency vide SRO 611(1)/2016 dated 09-06-2016.

In this regard, the PTBA has expressed serious concerns that the officers of FBR were issuing notices under AMLA, 2010 to third parties seeking information and stating in correspondence that the party was being investigated for money laundering.

It opined that it was not only unfair and unjust but was seriously tarnishing the reputation of individuals, who had not committed any crime and added that such action was contrary to the provisions of AMLA, 2010 and notices in this regard clearly indicated lack of proper understanding of the provisions of the act by the officers of FBR.

The PTBA said members had serious reservations about the provisions of AMLA 2010, which made even furnishing alleged false information, incorrect use of NTN and tax evasion liable to charge under the AMLA 2010, which was absolutely incorrect understanding of the law applicable globally. It observed that at present, no Standard Operating Procedures (SOPs) have been developed by the FBR for its officers enforcing AMLA 2010 and they were not fully trained to translate policy of such new law into an acceptable and workable implementation of law and practice.

"In addition to policies and procedures, there should also be a process to support and facilitate effective implementation of procedures, which should be reviewed and updated regularly," the letter stated. The PTBA has offered to assist FBR for training of its officers and development of SOP etc, suggesting some recommendations in this regard, which are as follow:

-- Initiate intensive training of the officers and staff of FBR in proper understanding of provisions of AMLA 2010, who are responsible in enforcing the said law; - Develop detailed SOPs for officers and staff of FBR in consultation with the stakeholders for enforcement of AMLA 2010; and

-- No putative action should be taken against an individual, unless he has been provided proper opportunity of being heard and proved guilty.

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