

**Government of Pakistan
Revenue Division
Federal Board of Revenue

C.No.3(7) L&P/2023

Islamabad, 22nd March, 2023.

Customs General Order No. 01 of 2023

Subject: **Guidelines for Strengthening Sustainability & Effectiveness of Anti-Money Laundering (AML)/Counter Financing Terrorism (CFT) Mechanism of Pakistan Customs**

In supersession of the Office Order No 01/2019 issued vide C.No.1(3) E&C/2019 dated 10th April 2019, the Federal Board of Revenue is pleased to direct that the following guidelines shall be observed by the various Customs formations in relation to cases made out against persons on account of predicate offences, as listed in Schedule-I of the Anti-Money Laundering Act, 2010, under the Customs Act, 1969:-

1. Definitions:-

- (i) **“Goods”** shall have the same meaning as defined in the Customs Act, 1969;
- (ii) **“Law Enforcement Agency”** means all investigation and prosecution agencies specified or notified under section 2(xviii) of the Anti-Money Laundering Act, 2010 (AMLA ,2010);
- (iii) **“Foreign Jurisdiction”** means a foreign country with which Pakistan has a bilateral arrangement for mutual legal assistance, including assistance in AML/ CFT cases;
- (iv) **“Mutual Legal Assistance”** shall have the meaning assigned to it under Mutual Legal Assistance (Criminal Matters) Act, 2020;
- (v) **“Seizure”** shall have the same meaning as defined in section 2 of the Customs Act, 1969; and
- (vi) **“Referral”** means the official communication of a case of seizure of goods along with all relevant documents available with the seizing officer to Counter Terrorism Department (CTD) for the purpose of ascertaining links to Terrorism Financing (TF) and accordingly considering the initiation of investigation and prosecution under Anti-Terrorism Act, 1997.

2. Referrals to Counter Terrorism Department (CTD).- (1) All cases of currency seizure, emanating from smuggling, misdeclaration or non-declaration of currency, bearer negotiable instruments, gold, jewelry, precious metals, gemstones, narcotics, psychotropic substances, or antiques under the relevant provision(s) of the Customs Act, 1969, in which, based on the scrutiny of documents, record, and or statements, one or more of the following criteria is/are met, shall be referred on prescribed format (**Annexure-A**) to the CTD of the concerned province under intimation to the Director, Directorate of Cross Border Currency Movement (CBCM):

- (i) The accused is member of any of the UN designated entities or proscribed organizations or individuals under the Anti-Terrorism Act, 1997;
- (ii) The accused is hit by the UN Security Council Resolutions related to countering terrorism and CFT (such as UNSCR 1373, 1949, 1267 etc.);
- (iii) Intelligence / tip-off request for Mutual Legal Assistance or request for cooperation from a Law Enforcement Agency (LEA) in Pakistan or from a foreign jurisdiction is communicated to the Customs officer on duty, on the ground that the smuggling of the seized goods is meant for terrorism financing (TF);
- (iv) In case of cash, the amount is not consistent with the accused's purpose, objective and stated activities;
- (v) Receipt of large amounts of cash from unexplained sources;
- (vi) The accused is a close relative of a designated/ proscribed individual and is also suspected to be associated with the business of the designated/ proscribed individual by way of financial or other assistance;
- (vii) The accused declares a proscribed person as a guarantor / nominee of the individual;
- (viii) Media (Broadcast/ Print/ Social) news highlights involvement of the accused in providing financial assistance to designated/ proscribed individual or entity;
- (ix) The accused appears to have conducted cash / gold smuggling on behalf of or at the direction of a designated/ proscribed individual; and
- (x) During the investigation under the Customs Act, 1969 of a predicate offence under AMLA, 2010 the investigating officer shall remain vigilant to the possibility of TF element in the case and if there is reason to believe that the accused is involved in TF, the case may be referred to CTD for parallel investigation into the TF element.

(2) All cases of seizure of currency, bearer negotiable instruments, gold, precious stones and metals, other than the above, may be communicated on the prescribed format (**Annexure-B**) for information and record of CTD, under intimation to the Directorate of CBCM, for immediate or future use by CTD.

(3) Customs and CTD shall continue to use the existing inter-agency coordination mechanism, including the Border Task Force (BTF) forum, for mutual information sharing, cooperation and coordination against organized crimes, including Money Laundering and Terrorism Financing.

(4) During the investigation of predicate offences, the investigating officer of Customs will keep the Check-List (**Annexure-C**) in view while considering whether a case qualifies to be referred to CTD or not.

3. Referral of Cases to the Directorate General of Intelligence and Investigation, (Customs) for investigation under AMLA, 2010.- (1) In case(s), where a Collectorate / Directorate of Pakistan Customs, makes a seizure, lodges an FIR or frames a contravention case which fulfills any of the following criteria, shall be referred to the respective Regional Directorate of the Directorate General of Intelligence and Investigation (Customs), under intimation to the Directorate of CBCM, for parallel ML investigation under the AMLA, 2010, namely:-

- (i) the revenue loss involved is Rs.50 million or above;
- (ii) scrutiny of documents and data, initial investigation, or Mutual Legal Assistance (MLA) request, reveals that the accused/respondents previously also indulged in similar serious acts of predicate offences or money laundering, irrespective of whether they were convicted for such offence or not;
- (iii) there is reason to believe that the accused/respondent(s) have prima facie committed the offence of money laundering, or have links with national or trans-national crimes related to money laundering, and therefore warrant an in-depth investigation under AMLA, 2010; and
- (iv) in the light of the check list under this CGO, the investigating officer is of the considered opinion that the case warrants action under AMLA, 2010 and needs to be referred to the Directorate General of I&I, (Customs) for investigation under AMLA, 2010:

Provided that any such action shall be initiated only after approval of concerned Collector / Director.

(2) All record, statements and evidences that may be relevant for investigation under AMLA, 2010 shall also be sent by the referring Collectorate/Directorate to the relevant regional Directorate of I&I, (Customs), under intimation to the Directorate of CBCM, for investigation under AMLA, 2010.

(3) The Regional Directorates shall keep a record/data of all such cases and share monthly progress reports with the Director General, Intelligence and Investigation, (Customs) and the Directorate of CBCM and shall regularly update record of the action taken and the progress made in each case.

(4) The Collectorate/Directorate that refers such cases shall maintain a complete and updated record/data of all such cases, including Case No, date of the institution of the case, name(s), CNIC/Passport No. and address(es) of the accused/respondent(s), description of the goods, sections of law violated, value of the goods, revenue involved and current status of the case.

4. Mutual Legal Assistance (MLA) Requests & Other Forms of International Assistance: -

(1) **Formal MLA Requests:** The Collector/ Director shall ensure that in all cases where the accused or the criminal offence has links in a foreign jurisdiction and evidence from such foreign jurisdiction can be useful for investigation, an MLA request is sent to the concerned foreign jurisdiction in either of the following manners:

- (a) Directly through the national focal point under the MLA (Criminal Matters) Act, 2020, under intimation to the Chief, International Customs, FBR; or
- (b) Through the office of Chief, International Customs, FBR.

(2) **Other Forms of Cooperation:** The Collectorate / Directorate may also seek other forms of international cooperation or informal assistance, under intimation to the Chief,

International Customs, FBR directly using the existing organization to organization channels, whether online or manually.

- (3) Efforts shall be made to develop and use an automated system to maintain and update record of all incoming and outgoing MLA requests and other forms of international cooperation.

5. Record Keeping and Reporting Framework. - (1) The Directorate of CBCM shall be the overall data repository of all AML/CFT related cases pertaining to Pakistan Customs, including cases referred to CTD, whether such cases are initiated on the reports of Financial Monitoring Unit (FMU) or of the Collectorates / Directorates of Pakistan Customs.

(2) All Collectorates / Directorates of Pakistan Customs shall also maintain an updated record of all cases of predicate offences and shall submit monthly reports to the Chief, Facilitation & Compliance (F&C), FBR with intimation to the Chief, Financial Action Task Force (FATF) Cell, FBR.

(3) All Collectorates / Directorates shall intimate the Directorate of CBCM on monthly basis about the number of money laundering (ML) cases, including cases referred to CTD or other agencies.

(4) The International Customs (IC) Section of the Customs Wing, FBR shall maintain record/data of all incoming and outgoing MLA requests on the prescribed format.

(5) All Collectorates / Directorates shall be bound to respond to the MLA request received from International Customs (IC) Section of FBR within the specified timelines, if any, and shall keep an updated record of all incoming and outgoing MLA requests pertaining to their respective jurisdiction.

6. Responsibilities of Border Stations, Sea Ports, Dry Ports, Airports & Other Field Units. - (1) Maintenance and updating of data of seizures of goods under the Customs Act, 1969 and other predicate offences, listed in Schedule-I of the AMLA, 2010 as per CGO 04/2019 dated 6th May 2019.

(2) Maintenance of separate data on the following format in respect of all cases that are referred to CTDs or the Regional Directorates of I&I, (Customs) for further action.

S.No.	Case No & Dated	Name, Nationality, address & Phone No of accused	CNIC/ Passport No. of the Accused	Quantity & Value of Goods seized	Name of Agency the Case is Referred to and Date of referral to	Sections of Customs Act, 1969, AMLA 2010 or other law(s) involved	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

(3) Maintenance and updating of data of all meetings with other agencies, whether domestic or foreign, including meetings of Border Task Forces and Joint Control Rooms, and sharing reports/statements with their headquarters and the Directorate of CBCM.

(4) Keeping active liaison and coordination with other Law Enforcing Agencies (LEAs) in the fight against predicate offences and ML/CFT where Pakistan Customs has a specified role.

(5) Maintenance of data of all incoming and outgoing MLA requests and other forms of international cooperation on the following format:

Outgoing MLA Requests									
S.No.	Case No & Date	Name, address & phone no of the accused	CNIC/ Passport No. of the Accused	Nature of offence	Description & Value of the goods involved	Date of MLA Request sent to (Agency & Country)	Through MOFA, FIA or directly	Date of Response Received	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Incoming MLA Requests									
S.No.	Case No & Date	Name of agency /country requesting MLA	CNIC/ Passport No. of the Accused	Dated of receipt of MLA Request	Nature of offence	Action Taken	Date of Reply given	Through MOFA, FIA or directly	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

7. **Responsibilities of the Respective Collectorate/Directorate.-** (1) Maintaining consolidated data of all its sub-ordinate offices related to predicate offences as specified in Schedule- I of the AMLA, 2010, under the Customs Act, 1969, ML cases and TF cases referred to CTD, covering all the relevant information maintained by its subordinate offices, stations, ports, airports, as the case may be.

(2) Sharing analysis reports and information, including monthly reports on the required structured format with the Directorate of CBCM, Chief FATF Cell, FBR and Chief F&C (Customs), FBR.

(3) Follow up of the predicate offences, ML cases, MLA cases, and cases referred to CTDs or the Regional Directorates of I&I, (Customs).

(4) Timely communication of MLA requests and other forms of assistance requests from other LEAs and foreign jurisdictions to the respective subordinate offices for necessary action / response.

(5) Liaison with all stakeholders at the appropriate level for data sharing, assistance, and follow up of cases involving or necessitating inter-agency coordination and follow up.

(6) The record/data envisaged under this order shall be maintained manually till automated data management system is developed separately for (a) predicate offences, (b) cases referred to CTD, and (c) ML cases.

8. Capacity Building/Training.- (1) Pakistan Customs Academy (PCA) shall continue to impart training to the officers of Pakistan Customs on AML/CFT, including advanced training sessions on AML and Trade Based Money Laundering (TBML) during domain specific training.

(2) Chief FATF Cell, FBR may, in collaboration with the Customs Wing FBR, also keep liaison with other agencies and organizations, both abroad and in Pakistan, for organizing supplementary specialized AML/CFT courses for the officers of Pakistan Customs, whether online or in physical mode.

(3) All Collectorates / Directorates of Pakistan Customs shall inform, at least once in a financial year, PCA under intimation to the Chief, FATF Cell, FBR about their human resource (HR) training needs and PCA shall arrange the required training courses.

9. Updating Risk Assessment & Mitigation Strategy.- (1) All Collectorates / Directorates shall be required to send biannual reports to the Chief, FATF Cell, FBR on new risks and propose corresponding mitigation measures so that risk assessment, risk mitigation strategy and risk-based approach are updated for a dynamic and robust AML/CFT regime across all Pakistan Customs formations.

(2) Risk-based approach should be followed while posting officers and officials at strategic locations and posts. While issuing their placement orders, it should be ensured by the respective heads of the Collectorate / Directorate that such officers and officials have acquired the relevant AML/CFT related training.


(Riaz Hussain)
Secretary
(Law & Procedure)

Government of Pakistan
Collectorate of Customs/Directorate of I&I Customs

No.....

Dated:.....

To

The Deputy Inspector General,
Counter Terrorism Department
Government of -----

Subject: Referral for Parallel Investigation in Pursuance of Recommendation 30 of FATF

Kindly refer to the captioned subject.

2. The following case(s) of smuggling of(mention nature of goods)----- has/have been lodged by this Collectorate/Directorate against the accused under Section-----of the Customs Act, 1969 and criminal proceedings have been launched under the provisions of the said Act. Copies of the FIRs and related documents are hereby forwarded for parallel investigation for possible TF link and further necessary legal action, if any, under the provisions of the relevant law accordingly.

Annex: As above

(-----Name-----)

Collector / Director

Annexure-B

**Government of Pakistan
Collectorate of Customs/ Directorate of I&I (Customs)**

No.....

Dated:.....

To

The Deputy Inspector General,

Counter Terrorism Department

Government of -----

Subject: Referral of Cases in Consonance with Recommendation 30 of FATF

Kindly refer to the captioned subject and find attached the list of cases (both FIR cases and Seizure cases), registered against the accused, for information and further necessary action as deemed appropriate.

Annex: As above

(-----Name-----)

Collector /Director

Check Sheet for TF Referral by Customs

1. Details of the Terminal /Post / Station

- a) Name of Collectorate/Directorate: _____ b) Name of Station/Port/Airport: _____
- c) Date & Time: _____ d) Name of Seizing Officer _____
- e) No. of Suspects Apprehended: _____ f) Goods Seized: _____

2. Details of Suspect(s) Apprehended (please fill for each suspect)

Sr. No	Name	Father Name	CNIC/	Passport/Travel Document	Address	Contact Number

3

3. Red Alerts Check List for TF Linkages

- 3.1. Is the suspect on **4th Schedule of ATA 1997**? Yes No Unsure
- 3.2. Is the suspect a **known associate of a proscribed organization/individual**?
 Yes No Unsure
- 3.3. Does he have indirect **association with a proscribed Organization/individual**?
 Yes No Unsure
- 3.4. Is the suspect a **UN Designated Individual**?
 Yes No
- 3.5. Is there any suspicion about likely involvement of any of the **UN designated entities/individuals or proscribed organizations/individuals**?
 Yes No Unsure
- 3.6. Is he suspected to have conducted cash / gold smuggling on behalf of or at the **direction of a UN designated/ domestically proscribed entity or individual**?
 Yes No Unsure
- 3.7. Is the **suspect/accused found on unilateral sanctions** list of countries e.g. US-OFAC, EU, etc.?

- Yes No
- 3.8. **Use of cash is not consistent with the individual's** purpose, objective and states activities?
 Yes No Unsure
- 3.9. Is there suspicion about the legitimate source of large amounts of cash / gold?
 Yes No Unsure
- 3.10. Was he previously reported to have been involved in any **smuggling related cash or gold**?
 Yes No Unsure
- 3.11. Is there any **Intelligence / tip off** that the currency is being smuggled for an act of terrorism that resulted in apprehension of the suspect?
 Yes No Unsure
- 3.12. Is there any specific or **prior information shared by LEAs** on likely involvement of the individual in TF related aspects?
 Yes No Unsure
- 3.13. Is he suspected to be part of any larger **cash courier network**?
 Yes No Unsure
- 3.14. Is there any request with respect to the suspect due to **formal mutual legal assistance or informal assistance from local or foreign authorities**?
 Yes No Unsure
- 3.15. Does the seizure made suspected to be used for **financing terrorism**?
 Yes No Unsure

4. **Additional Details (If any):**

Caveat: The above checklist is without prejudice, is meant only for preliminary clues to potential element of TF, and does not in any way entails legal obligations or liabilities for the referring authority.

Name of Seizing/Investigating Officer-----

Signature -----

Date:-----