

**BUSINESS LAWS
(STUDY MATERIAL – NEW
ADDITION OF LAWS)**

PRESENTATION OF



GCA TEAM

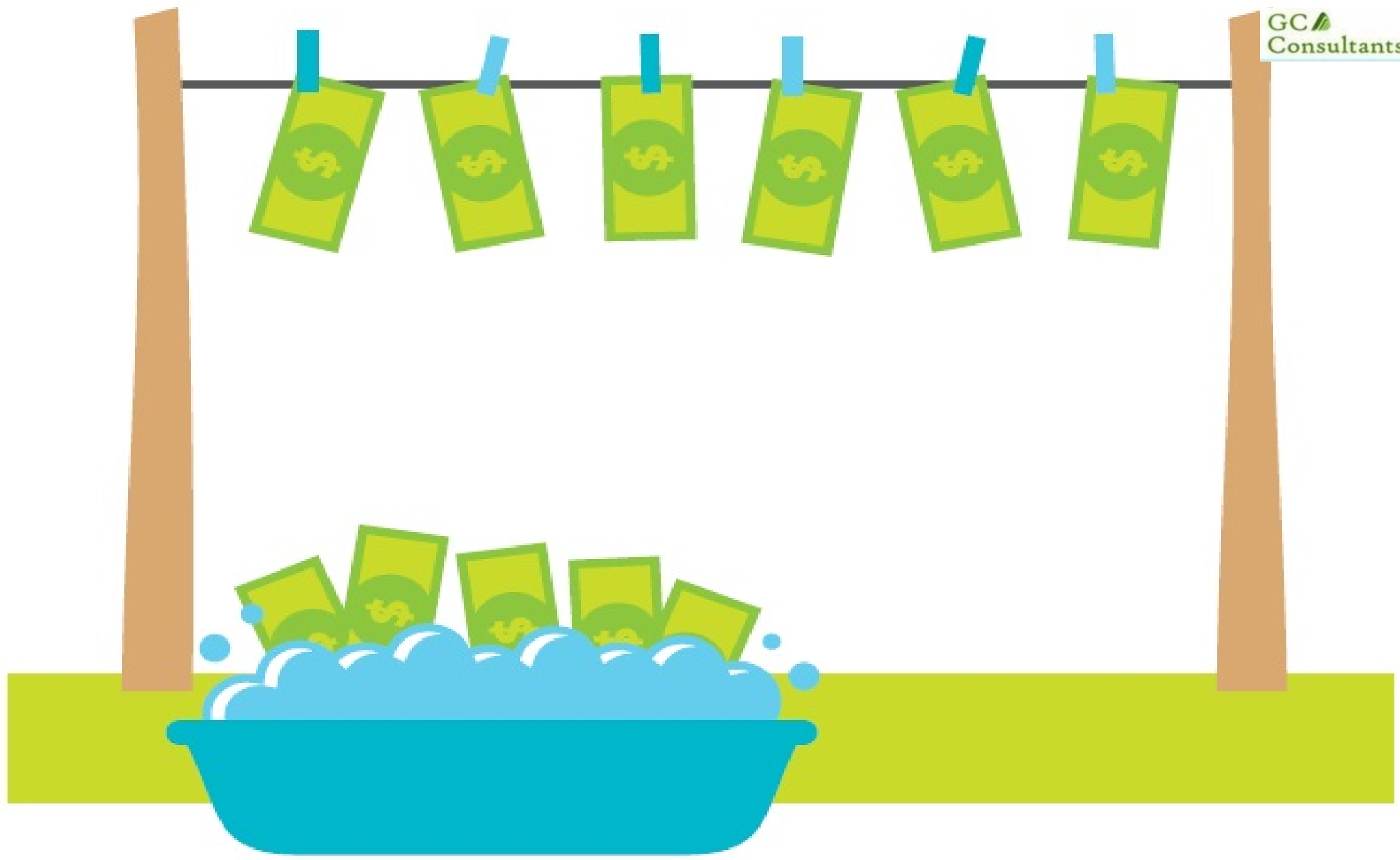
GCA OFFICIAL

GLOBAL CAREER IN ACCOUNTANCY

NOTE TO STUDENT

Only relevant sections included in syllabus guideline had been included in this business law manual.

Anti-Money Laundering Act, 2010



MONEY LAUNDERING

Placement.

- **During placement, “dirty” money derived from criminal activities is placed in the financial system.**

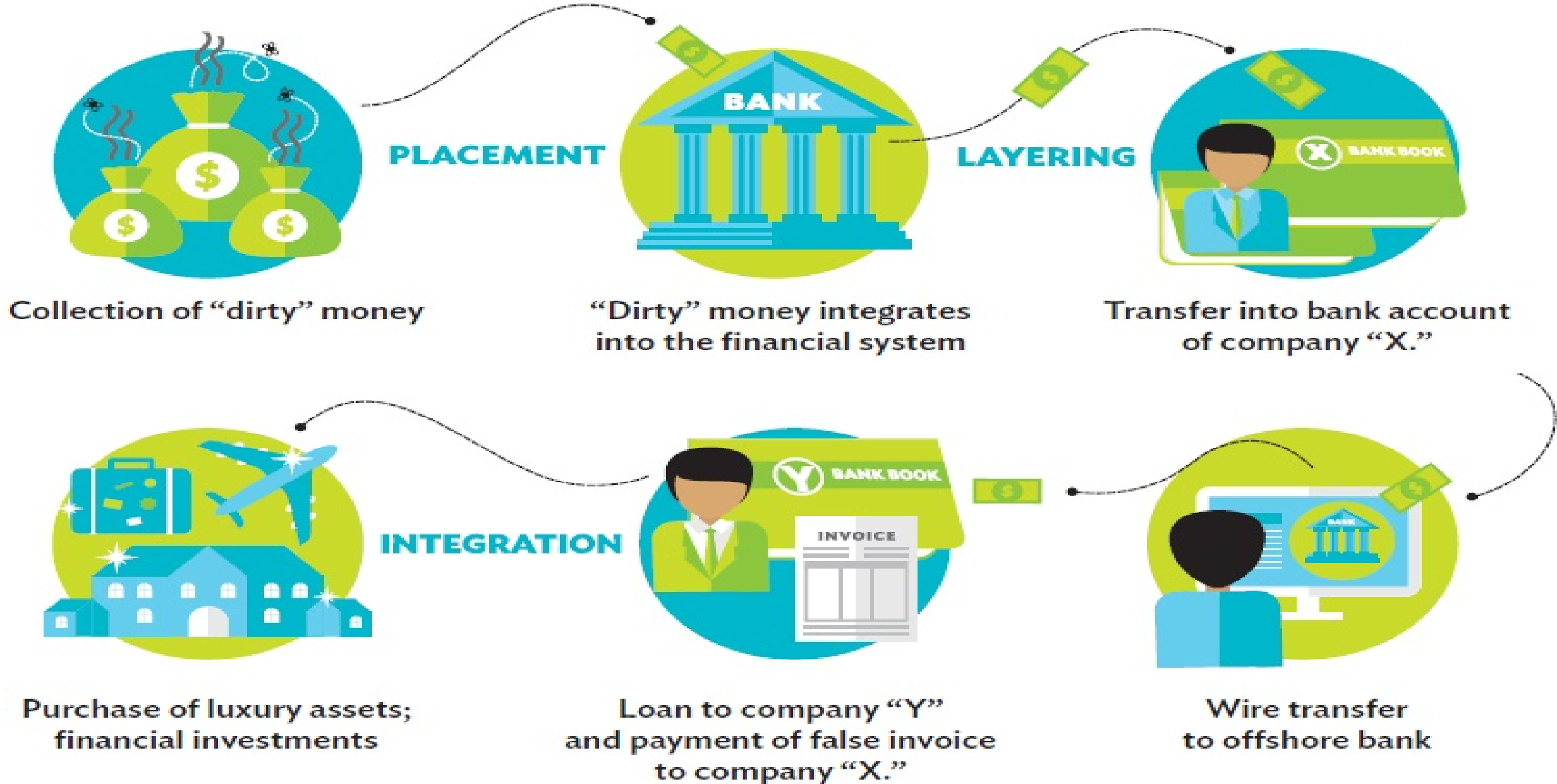
Layering.

- **To conceal the illegal origin of the placed funds and thereby make them more useful to criminals, the funds must be moved, dispersed, and disguised. Layering is the process of disguising the source of the funds through layers of financial transactions.**

Integration.

- **Once the funds are layered and can no longer be traced back to their criminal origins, they are integrated into the financial system and now appear “clean” and available for use by criminals. If layering has been successful, integration places the laundered money back into the economy and financial system in such a way that they appear as clean and legitimate.**

Figure 1: A Typical Money-Laundering Scheme



SECTION 2(XIV)

Financial Institution includes any person carrying on any one or more of the following activities, namely:-

Acceptance of deposits and other repayable funds from the public;

Lending in whatsoever form

Money or value transfer

Financial leasing

Financial guarantees and commitments

Issuing and managing means of payments including:

- **credit and debit cards,**
- **cheques,**
- **traveller's cheques,**
- **money orders,**
- **bank drafts and**
- **electronic money**

Trading in:

- **money market instruments**
- **foreign exchange**
- **exchange, interest rate and index instruments**
- **transferable securities**
- **commodity futures trading**
- **participation in shares issues and the provision of services related to such issues**
- **individual and collective portfolio management**
- **safekeeping and administration of cash or liquid securities on behalf of other persons**
- **investing, administering or managing funds or money on behalf of other persons**
- **insurance business transactions**
- **money and currency changing**
- **carrying out business as intermediary**

SECTION : 3 {OFFENCE OF MONEY LAUNDERING}

A person shall be guilty of offence of money laundering, if the person:—

Acquires, converts, possesses, uses or transfers property, knowing or having reason to believe that such property is proceeds of crime;

Conceals or disguises the true nature, origin, location, disposition, movement or ownership of property, knowing or having reason to believe that such property is proceeds of crime

Holds or possesses on behalf of any other person any property knowing or having reason to believe that such property is proceeds of crime

Participates in, associates, conspires to commit, attempts to commit, aids, abets, facilitates, or counsels the commission of the acts specified in clauses (a), (b) and (c).

EXPLANATION - 01

The knowledge, intent or purpose required as an element of an offence be inferred from factual circumstances in accordance with the Qanun-e-Shahadat Order, 1984

EXPLANATION - 11

For the purposes of proving an offence, the conviction of an accused for the respective predicate offence shall not be required.

WHAT IS PREDICATE OFFENSE?

Crime which is a component of a larger crime.

Associated with money laundering or terrorist financing activities.

Predicate means Affirm, Declare, Imply, Mean, Signify, State

SECTION : 4 (PUNISHMENT FOR MONEY LAUNDERING)

- **Minimum Punishment** : Shall not be less than 01 year
- **Maximum Punishment** : Upto ten years
- **Fine: Minimum** : PKR 25,000,000/-
Maximum : PKR 100,000,000/-
- **Liable**: Forfeiture of property involved in money laundering or property of corresponding value.

Payment Systems and Electronic Fund Transfers Act, 2007



SECTION: 2S (ELECTRONIC FUND OR ELECTRONIC MONEY)

Means money transferred through an electronic terminal, ATM, telephone instrument, computer, magnetic medium or any other electronic device so as to order, instruct or authorize a banking company, a financial institution or any other company or person to debit or credit an account and includes monetary value as represented by a claim on the issuer which is stored in an electronic device or payment instrument, issued on receipt of funds of an amount not less in value than the monetary value issued, accepted as means of payment by undertakings other than the issuer and includes electronic store of monetary value on a electronic device that may be used for making payments or as may be prescribed by the state bank;

SECTION : 2T (ELECTRONIC FUND TRANSFER)

Means any transfer of funds, other than a transaction originated by cheque, draft or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, point-of-sale terminal, stored value card terminal, debit card, ATM, computer magnetic tape or any other electronic device so as to order, instruct, or authorize a financial institution to debit or credit an account;

SECTION: 2ZA (OPERATOR)

Means any financial or other institution or any person, authorized by the state bank to operate any designated payment system;

SECTION : 4

[DESIGNATION OF PAYMENT SYSTEM]

- (1) State bank may, in the public interest, by a written order designate a payment system as a designated payment system.
- (2) State bank may, in considering whether to designate a payment system as a designated payment system, inspect the premises, equipment, machinery, apparatus, books or other documents, or accounts and transactions relating to the payment system.

SECTION : 5

(REVOCACTION OF DESIGNATION OF PAYMENT SYSTEM)

The state bank may revoke the designation of a designated payment system if it is satisfied that

the Designated Payment System has ceased to operate effectively as a Payment System

the operator of the designated system has knowingly furnished information or documents to the State Bank in connection with the designation of the Payment System which is or are false or misleading in any material particular

the operator or settlement institution of the Designated Payment System is in the course of being wound up or otherwise dissolved, whether in Pakistan or elsewhere

any of the terms and conditions of the designation or requirements of this Act has been contravened

the State Bank considers that it is in the public interest to revoke the designation

State bank shall not revoke a designation without giving the operator of the designated payment system an opportunity to be heard.

Provided that the state bank may, if an immediate systemic risk is involved, suspend the designation of a payment system without notice pending the final order.

SECTION: 11

(OPERATIONAL ARRANGEMENT.)

An operator of a designated payment system shall establish the following operational arrangements

(i) rules and procedures setting out the rights and liabilities of the operator and the participant and the financial risks the participants may incur;

(ii) procedures, controls and measures for the management of credit, liquidity and settlement risk, including rules determining the time when a payment instruction and a settlement is final;

(iii) criteria for participation in the Designated Payment System; and

(iv) measures to ensure the safety, security and operational reliability of the Designated Payment System including contingency arrangements.

Overview of Prevention of Electronic Crimes Act, 2016



Thank



SECTION: 3 (UNAUTHORIZED ACCESS TO INFORMATION SYSTEM OR DATA)

Whoever with dishonest intention gains unauthorized access to any information system or data shall be punished with

Imprisonment

- **03 months**

Fine

- **PKR 50,000/-**

Both

- **Imprisonment
& Fine**

SECTION : 4 (UNAUTHORIZED COPYING OR TRANSMISSION OF DATA)

Whoever with dishonest intention and without authorization copies or otherwise transmits or causes to be transmitted any data shall be punished with:

Imprisonment

- **06 months**

Fine

- **PKR 100,000/-**

Both

- **Imprisonment
& Fine**

SECTION: 5 (INTERFERENCE WITH INFORMATION SYSTEM OR DATA)

Whoever with dishonest intention interferes with or damages or causes to be interfered with or damages any part or whole of an information system or data shall be punished with:

Imprisonment

- **02 years**

Fine

- **PKR 500,000/-**

Both

- **Imprisonment
& Fine**

SECTION: 6 (UNAUTHORIZED ACCESS TO CRITICAL INFRASTRUCTURE INFORMATION SYSTEM OR DATA)

Whoever with dishonest intention gains unauthorized access to any critical infrastructure information system or data shall be punished with:

Imprisonment

- **03 years**

Fine

- **PKR 1,000,000/-**

Both

- **Imprisonment
& Fine**

SECTION: 7 (UNAUTHORIZED COPYING OR TRANSMISSION OF CRITICAL INFRASTRUCTURE DATA)

Whoever with dishonest intention and without authorization copies or otherwise transmits or causes to be transmitted any critical infrastructure data shall be punished with:

Imprisonment

- **05 years**

Fine

- **PKR 5,000,000/-**

Both

- **Imprisonment
& Fine**

SECTION: 8 (INTERFERENCE WITH CRITICAL INFRASTRUCTURE INFORMATION SYSTEM OR DATA)

Whoever with dishonest intention interferes with or damages, or causes to be interfered with or damaged, any part or whole of a critical information system, or data , shall be punished with:

Imprisonment

- **07 years**

Fine

- **PKR 10,000,000/-**

Both

- **Imprisonment
& Fine**

SECTION: 9 (GLORIFICATION OF AN OFFENCE AND HATE SPEECH)

Whoever prepares or disseminates information, through any information system or device, with the intent to glorify an offence and the person accused or convicted of a crime relating to terrorism or activities of proscribed organizations shall be punished with:

Imprisonment

- **05 years**

Fine

- **PKR 10,000,000/-**

Both

- **Imprisonment
& Fine**

EXPLANATION

“Glorification” includes depiction of any form of praise or celebration in a desirable manner.

Competition Act, 2010

SECTION : 2(F) - GOODS

Includes any item, raw material, product or byproduct which is sold for consideration

SECTION : 2(K) – RELEVANT MARKET

Market which shall be determined by the commission with reference to a product market and a geographic market and a product market comprises of all those products or services which are regarded as interchangeable or substitutable by the consumers by reason of the products characteristics, prices and intended uses. A geographic market comprises the area in which the undertakings concerned are involved in the supply of products or services and in which the conditions of competition are sufficiently homogeneous and which can be distinguished from neighboring geographic areas because, in particular, the conditions of competition are appreciably different in those areas;

SECTION : 2(L) - RETAILER

In relation to the sale of any goods,
means a person who sells the goods to
any other person other than for resale

SECTION : 2(R) - WHOLESALE

In relation to the sale of any goods,
means a person who purchases goods
and sells them to any other person for
resale.

(3) "PRACTICES" MEANING

(a) limiting production, sales and unreasonable increases in price or other unfair trading conditions;

(b) price discrimination by charging different prices for the same goods or services from different customers in the absence of objective justifications that may justify different prices;

(c) tie-ins, where the sale of goods or service is made conditional on the purchase of other goods or services;

(d) making conclusion of contracts subject to acceptance by the other parties of supplementary obligations which by their nature or according to commercial usage, have no connection with the subject of the contracts;

(e) applying dissimilar conditions to equivalent transactions on other parties, placing them at a competitive disadvantage;

(f) predatory pricing driving competitors out of a market, prevent new entry, and monopolize the market;

(g) boycotting or excluding any other undertaking from the production, distribution or sale of any goods or the provision of any service; or

(h) refusing to deal.

4. PROHIBITED AGREEMENTS.

No undertaking or association of undertakings shall enter into any agreement or, in the case of an association of undertakings, shall make a decision in respect of the production, supply, distribution, acquisition or control of goods or the provision of services which have the object or effect of preventing, restricting, or reducing competition within the relevant market unless exempted under section 5.

Such agreements include
but are not limited to:

(a) fixing the purchase or selling price or imposing any other restrictive trading conditions with regard to the sale or distribution of any goods or the provision of any service;

(b) dividing or sharing of markets for the goods or services, whether by territories, by volume of sales or purchases, by type of goods or services sold or by any other means;

(c) fixing or setting the quantity of production, distribution or sale with regard to any goods or the manner or means of providing any services;

(d) limiting technical development or investment with regard to the production, distribution or sale of any goods or the provision of any service; or

(e) collusive tendering or bidding for sale, purchase or procurement of any goods or service.

(f) applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a disadvantage; and

(g) make the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.

Any agreement entered into
in contravention of the
provision shall be void.

DECEPTIVE MARKETING PRACTICES

No undertaking shall enter into
deceptive marketing practices.

The deceptive marketing practices shall be deemed to have been resorted to or continued of an undertaking resorts to:

(a) the distribution of false or misleading information that is capable of harming the business interests of another undertaking;

(b) the distribution of false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the price, character, method or place of production, properties, suitability for use, or quality of goods;

(c) false or misleading comparison of goods in the process of advertising; or

(d) fraudulent use of another's trademark, firm name, or product labeling or packaging.

EXAMPLE

AS ADVERTISED



IN REALITY



The Arbitration Act, 1940

SECTION : 2A - ARBITRATION AGREEMENT

A written agreement to submit present or future differences to arbitration, whether an arbitrator is named therein or not.

SECTION:2D - LEGAL REPRESENTATIVE

A person who in law represents the estate of a deceased person, and includes any person who intermeddles with the estate of the deceased, and, where a party acts in a representative character, the person on whom the estate devolves on the death of the party so acting

3. PROVISIONS IMPLIED IN ARBITRATION AGREEMENT

An arbitration agreement, unless a different intention is expressed therein, shall be deemed to include the provisions set out in the first schedule in so far as they are applicable to the reference.

4. AGREEMENT THAT ARBITRATORS BE APPOINTED BY THIRD PARTY

The parties to an arbitration agreement may agree that any reference there under shall be to an arbitrator or arbitrators to be appointed by a person designated in the agreement either by name or as the holder for the time being of any office or appointment.

5. AUTHORITY OF APPOINTED ARBITRATOR OR UMPIRE IRREVOCABLE EXCEPT BY LEAVE OF COURT

The authority of an appointed arbitrator or umpire shall not be revocable except with the leave of the court unless a contrary intention is expressed in the arbitration agreement.

13. POWERS OF ARBITRATOR

The arbitrators or umpire shall, unless a different intention is expressed in the agreement, have power to:

(a) administer oath to the parties and witnesses appearing;

(b) state a special case for the opinion of the Court on any question of law involved, or state the award, wholly or in part, in the form of a special case of such question for the opinion of the Court;

(c) make the award conditional or in the alternative;

(d) correct in an award any clerical mistake or error arising from any accidental slip or omission;

(e) administer to any party to the arbitration such interrogatories as may, in the opinion of the arbitrators or umpire, be necessary.

21. PARTIES TO SUIT MAY APPLY FOR ORDER OR REFERENCE

Where in any suit all the parties interested agree that any matter in difference between them in the suit shall be referred to arbitration, they may at any time before judgment is pronounced apply in writing to the court for an order or reference.

THANK YOU FOR READING.

**Any suggestions/criticisms can be sent
to :**

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