**ISSN Online:**[3006-4708](https://portal.issn.org/resource/ISSN/3006-4708)

**SOCIAL SCIENCE REVIEW ARCHIVES ISSN Print:** [3006-4694](https://portal.issn.org/resource/ISSN/3006-4694)

<https://policyjournalofms.com>

**Role of FIA in Investigating Benami Accounts and its Usage for Money Laundering in Khyber Pakhtukhwa**

**Irfan Ullah1, Laila Manan2, Shafqat Jamal3**

1,2,3 MSc Criminology, Department of Criminology University of Peshawar

# *DOI:* *https://doi.org/10.70670/sra.v3i3.915*

# Abstract

FIA play important role in combating Money Laundering through Benami accounts being the main Federal investigating agency of Pakistan. The legal framework and intuitional framework for Benami accounts was explored. This started with promulgation of Anti-Money Laundering Ordinance, 2007 with establishment of Financial Monitoring Unit. The rules of State Bank, SECP, FBR and other relevant departments has also been improved. The Ordinance was then re-introduced in 2010 as Anti Money laundering Act, 2010 with major changes. Since then, FIA and other investigating agencies receive suspicious transactions reports of accounts from all Banks. Benami accounts have been mainly used for money laundering in all forms of predicate offences. After FATF’s listing of Pakistan in Grey list, Pakistan has greatly improved its regime of countering Benami accounts and Money Laundering. The main aim of this thesis and work was to know the role of FIA in investigating Benami accounts and its subsequent use in money laundering across. This was quantitative research work was used in which data was collected from officials of FIA Posted in different circles of Peshawar Zone.

# Introduction

In October 2018, Pakistan was placed in the grey list of the Financial Action Task Force because of loopholes in its Anti-Money Laundering and Counter Terrorism financing regime (AML/CFT). This is the second time for Pakistan to be listed on this enhanced monitoring list in one decade, and Pakistan was previously placed on this list in 2008. Financial Action Task Force (FATF) is a global monetary watch dog that analyses the financial market and identifies the risks to these markets. After initial listing, Pakistan undertook considerable efforts to mitigate the risks of Money Laundering in its financial system (Ali, 2018). Initially, Pakistan Promulgated Anti-Money laundering Ordinance, 2007 which was evolved into Anti-Money Laundering Act, 2010. A financial Monitoring Unit was also established as result of the aforementioned list. The information Vis a Vis Bank accounts shared with FIA or any other investigation agency are secret and the particular agency can kick start its own investigations based on these shared information about bank accounts and transactions. Most of these accounts are Benami accounts and Shell Companies are created for these accounts using employers and other vulnerable person’s names and data. These accounts are mainly used for Hundi/Hawala transfers with connection to abroad (Amin et al., (2019). Being the main investigating agency for probing Benami accounts, this research explores into the role of FIA in investigating Benami accounts and its usage for money laundering across Khyber Pakhtunkhwa.

**Objectives of the Study**

1. To know the role of Federal Investigation Agency in investigating Benami Accounts.
2. To know the Legislation, Administration and Organization of FIA vis a vis Benami accounts and Money Laundering.
3. To know how Benami accounts are used for Money laundering and modus operandi of criminals who use benami accounts.
4. To know about existing capacity, trainings, and hurdles faced by FIA while investigating Benami accounts.

## Research questions:

1. What is the role played by FIA in investigating Benami Accounts?
2. What are the current Legislation, Administration and Organization of FIA vis a vis Benami accounts and Money Laundering?
3. What is modus operandi of Criminals who use benami accounts?
4. What are the human capacity, training and hurdles faced by FIA while investigation Benami accounts?

## Significance

Pakistan is currently facing enhanced scrutiny on its Money Laundering regimes from different watchdogs and world powers. FIA is main agency to deal matters related to Money laundering and Benami accounts investigations. This study will be useful for masses and government to highlights the role of FIA in combating Money laundering through Benami accounts. It is also hoped that, it would help to generate interest in policy makers regarding addressing issues in Pakistan’s Money laundering regime. This research will also be helpful to all stakeholders to draw inferences for further research.

**Literature Review**

**General Definition of Money Laundering**

Money laundering has been defined in a variety of ways over the years. Money laundering's most evident meaning is buried in its literal definition: Money laundering is a term that combines the terms "money" with "laundering." Laundry refers to the act of 'washing', which in turn refers to the act of 'washing' or 'clearing' money. Money laundering is defined as "the conversion or transfer of property, knowing that such property is derived from any offense(s), for the purpose of concealing or disguising the illicit origin of the property, or of assisting any person who is involved in such offense(s) to evade the legal consequences of his actions," according to the most accurate definition (UNODC, 1988). Money laundering, as defined above, is the acquisition of any property or fortune obtained by criminal activity and then employing it for personal gain in a disguised manner to make it appear as money obtained from a lawful source. The following three processes are frequent in the process of money laundering, according to FATF, a global watchdog on money laundering (Money Laundering - Financial Action Task Force (FATF, 2021). The majority of these criminal proceeds are funneled through the purchase and selling of investment products, or wired into a variety of benami bank accounts. Integration: At this point, the monies are once again available for use by criminals or racketeers. This is the final stage, where the crooks use the laundered funds to benefit themselves by purchasing extravagant gifts and other items.

**Definition of Money Laundering in Section 3 of the Anti-Money Laundering Act, 2010:**

Money laundering is explicitly defined under Section 3 of the Anti-Money Laundering Act. "A person shall be guilty of money laundering if: (a) acquires, converts, possesses, uses, or transfers property, knowing or having reason to believe that such property is proceeds of crime; (b) 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; or (c) holds or possesses on behalf of any other person any property knowing or having reason to believe that such property is proceeds of crime; or (d) 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) (Financial Monitoring Unit, 2020).

**Definition of Benami Accounts**:

Benami accounts are not given a defined meaning. However, based on institutional traditions and analogies to the NAB Ordinance of 1999 and the Benami Property Act of 2017, A benami account is an account held by one person for which another person provides or maintains the consideration. The individual making the consideration or owning the account in Benami accounts and transactions is either fake or untraceable. The majority of the time, the account holder denies ownership of the benami property or accounts(Parliament of Pakistan, 2017).The term Benamidar refers to the individual who sets up the accounts in his or her name. He may lend his name in exchange for monetary benefits, or he may be a close family or acquaintance of the genuine owner (Pakistani Parliament, 1999).

**Definition of Benami in NAB Ordinance and Benami Transaction (Prohibition) Act, 2017:**

Benami account does not have a clear definition. However, the Benami Transaction (Prohibition) Act of 2017 and the NAB Ordinance of 2000 both define benami. Because the aforementioned acts are equivalent and have the same meaning, the term benami account was coined. A benamidar is a person who allegedly possesses or is in possession or custody of an accused's property for the benefit and enjoyment of the accused (Parliament of Pakistan, 1999). A Benami Transaction is a property or transaction that is transferred to, or held by, a person, and the consideration for such property has been provided, or paid by, another person. Fictitious transactions, transactions made through intimate friends, and transactions in which the owner denies or has no knowledge of the transaction are all examples of benami transactions (Parliament of Pakistan, 2017).

**International Analysis of Money Laundering through Benami Account:**

Criminal activity has reached an international level in today's world. The perpetrators of most international money laundering activities frequently choose destinations that provide an instant-corporation manufacturing business. Many of these jurisdictions provide "offshore" corporations, which are designed to do business anywhere except in the country where they were formed. These are tax-free and regulated-free, and they are protected by corporate secrecy rules. Following the formation of the corporation in the offshore jurisdiction, a bank account is opened and a bank deposit is made in the haven country in the name of the offshore company, particularly if the owner's identity is shielded by secret laws. Thus, one level of bank secrecy and one level of company secrecy conceal the Launderers from law enforcement authorities. Laundering schemes also include a third layer of protection: an offshore trust, which is usually protected by confidentiality laws. Internationally, in essence Money laundering is legal transactions as the actual devices used are also employed routinely by legitimate businesses. These include the creation of benami accounts by displaying various businesses, as well as the movement of funds through these accounts. On the surface, distinguishing between legal and illegal transactions is difficult; the distinction becomes clear only after a specific criminal act has been identified and law enforcement authorities begin to investigate the money trail of these accounts (UNODC, n.d.-a).

**International laws and legal regimes for prohibition of money laundering through Benami accounts:**

The international regime to control money laundering have many dimensions: national and international building blocks, a firm legal and enforcement foundation. In theory, the global regime should have an agreed-upon common legal foundation that national regimes can use to adopt laws and standards. Uniform enforcement and smooth coordination between national jurisdictions should be the goal. In practice, this idealised global anti-money laundering (AML) regime is impossible to achieve. Because of differences in institutions, perspectives, and priorities among countries as well as within them, establishing a robust AML regime is a challenge. Because of the US economy and financial system's central role, the US AML regime is critical to the global regime. Thus, the US AML regime acts as model for other national regimes.(FATF, 2021). To combat money laundering, the Financial Action Task Force (FATF) was established in 1989. The FATF organisation establishes a framework for anti-money laundering (AML) policies and maintains a system of checks and balances to ensure that these policies are implemented. The United Nations, the World Bank, and the International Monetary Fund all have anti-money laundering programmes in place (FATF, 2021). Employees who are required to report suspicious activity are trained in anti-money laundering techniques and are known as AML compliance officers. AML banking also has three levels of checks: identity checks, AML holding periods, and AML transaction monitoring software (FATF, 2021).

**Situational Analysis of Money laundering through benami accounts in Pakistan:**

In Pakistan, money laundering and terror-financing has been able to take ground because of the instability of neighboring Afghanistan and Iran long border that Pakistan shares with. Afghanistan has been a persistent subject of conflict since it had been used for illegal economic activity. Furthermore, weak institutional regulation and ineffective laws have been a major source of money laundering; for example, in 2013, $9 billion was illegally transferred from Pakistan to other countries, which is a concerning situation. The international community has repeatedly chastised Pakistan for failing to address the aforementioned issues. FATF submitted Pakistan's nomination for monitoring under the International Cooperation Review Group (ICRG) in February 2018.

**Legal and institutional framework for the prohibition of Benami Accounts in Pakistan**

**Anti-Terrorism Act 1997 (ATA):**

Despite the fact that it was not specifically promulgated for money laundering and benami account tracing, this Act was the first to discuss anti-money laundering measures. The purpose of this Act is to combat terrorism and terrorist financing by freezing, seizing, and forfeiting assets obtained via terrorist operations. After convicting an accused under section 09 of the ATA, 1997, the court has the authority to order seizure and forfeiture. The freezing orders allow law enforcement to track and seize transactions in any account if they are discovered during a terrorism investigation (Raza, 1997). Different Acts, Regulations and rules exists for the said purpose which are enlistad as below.

* Control of Narcotics Substances Act 1997:
* Anti-Money Laundering Ordinance (AMLO), 2007:
* Promulgation of Anti-Money Laundering Act (AMLA),2010:
* Anti-Money Laundering and Combating The Financing Of Terrorism (AML/CFT) Regulations For Banks &Development Financial Institution (DFIs), 2017.
* Regulation No. 01: Customer Due Diligence: The CDD entails identifying customers, verifying Regulation – 02: Correspondent Banking: In addition to the measures required under Regulation – 03: Wire Transfers/ Fund Transfers: This Regulation applies to a bank/ DFI Regulation – 04: Transaction Reporting (STRS/CTRS):
* Regulation - 05: Record Keeping:
* Regulation – 06:Internal Controls, Policies, Compliance, Audit And Training Bank/DFIs Own AML/CFT policies, procedures & controls:
* Benami Transaction (Prohibition) Act, 2017:
* Benami Transactions (Prohibition) Rules, 2019 and Its implementation:
* Amendment in Foreign Exchange Regulations Act(FERA), 1947:
* National Action Plan, 2014:
* Creation of Dedicated directorate AMLA/CFT circle at FIA:
* Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018:
* Federal Board of Revenue AML/CFT Regulation for Designated Non-Financial Business and Professions (DNFBP,s) 2020.
* Pakistan Post (AML and CFT regulations), 2020:

**Brief History of FIA.**

To counter the endemic corruption in supply and procurement, in the year 1942, British Government formed a federally regulated Anti Corruption Department in India with the name of Special Police Establishment. After independence, this department was known as Pakistan Special Police Establishment (PSPE). PSPE was replaced with the Federal Investigation Agency (FIA) by promulgating the FIA Act, 1974, in response to the findings of Mr. G. Ahmad's committee on "Police Reforms" (Act-VIII of 1975). In the new development, in addition to the role of an anticorruption agency, FIA was assigned a number of other assignments including immigration control at all the notified international entry / exit check points (FIA, 2021).

**Administration of FIA and legal Mandate of FIA .**

The Director General is in charge of the FIA, according to section 04 of the FIA Act. The FIA is led by a Pakistani Police Service BS 21/22 officer. Its headquarters are in Islamabad's sector G-9/4. Five Additional Director Generals (BS-21) help the DG/FIA in supervising the agency's operations at headquarters, while three ADGs i.e. ADG/North, ADG/South and ADG/CCW   oversee the overall supervision of field operations (CCW). It has a sanctioned strength of 6402. FIA's operational functions are carried out in 29 cities/towns with 52 notified police stations. These offices are located in Islamabad, all provincial capitals, major cities, and international border immigration posts. The FIA also has a presence in Gilgit-Baltistan. (FIA, 2020).

**Legal Mandate of FIA.**

The FIA was established in 1975 when the FIA Act was passed. The statute gave the Federal Government control of the department, while the Director General of the FIA was in charge of administration (Section, 4 FIA ACT). The acts also give members of the agency with the rank of Sub-Inspector or higher the authority to investigate or enquire into the schedule offences. While dealing with cases/enquiries, the same member holds the position of SHO. A total of 32 special laws, 111 offences from the Pakistan Penal Code, and 18 Statutory Regulation Order have been placed in the FIA schedule in order to define the area of activity. Orders can be used by the federal government to strengthen or decrease its power. The following are the main acts that deal with money laundering and benami accounts (Parliament of Pakistan, 1975):

* The Anti-Money Laundering Act, 2010.
* The Foreign Exchange Regulation Act. 1947.
* The Banking Companies Ordinance, 1962

**Different Wings and Priorities.**

As of 2021, Federal Investigation Agency FIA Pakistan has the following active departments performing mainly investigations of schedule offences. However, some other departments have specific purpose(FIA, 2021):

**Counter-Terrorism Wing (CTW)** – This wing is in charge of safeguarding Pakistan against all forms of terrorism, including cyber-terrorism and counter terrorism financing

**Anti-Corruption Wing (ACW)** — Investigates and combats all forms of public corruption in Federal Government departments.

**Economic Crime Wing (ECW)** – This wing is tasked to investigate all kind of crimes including economic crime and corporate crimes.

**Immigration Wing (IW)** – This wing controls all matters of immigration at airports and land borders.

**Technical Wing (TW)** — This wing provide technical assistance needed in investigations.

**Legal Branch (LB)** — This wing provide all legal advice during investigation and prosecution.

**National Central Bureau (NCB)** – This is Pakistan leg of Interpol and provide assistance in battling transnational and national criminal groups.

**Anti-Trafficking Unit (ATU)** – Charged with preventing crime including human trafficking, Human Smuggling, immigration related crime and passport related crimes.

**Anti-Money Laundering/Counter-Terrorism Directorate** — This is a newly established directorate tasked with combating money laundering and terrorism financing. This wing was established in accordance with FATF guidelines.

## Economic Crime Wing:

The Economic Crime Wing (ECW) is in charge of combating financial crimes such as money laundering, hawala, illegal money or value transfer services (MVTs), and STRs/FIRs (Financial Intelligence Reports). The ECW is led by an Additional Director General BS-21, who is assisted by a Director and a Deputy Director. It supports the FIA Zonal Directorates' efforts to combat money laundering by providing policy framework. This section, situated at the FIA Headquarters in Islamabad, sets guidelines for Enquiry Officers/Investigation Officers, organises capacity building, finds gaps in investigative activity, and removes implementation hurdles. In connection with the STRs and related AML activities / processes, ECW also coordinates with FMU. Moreover, ECW gathers and analyses data on economic crimes (FIA, 2020).

**Achievements of FIA KP in Combating Money Laundering through Benami accounts.**

According to the FIA Annual Administration Report, the 2020 FIA CBC KP, which is the main circle for money laundering investigations, has 76 cases. In these incidents, a total of 74 million dollars has been recovered. The vast majority of these cases involve money laundering via benami accounts. Furthermore, the Financial Monitoring Unit received 319 suspicious transaction complaints including over 2000 accounts for further investigation between 2015 and 2021.

**Steps Taken by FIA to counter money laundering through benami accounts.**

The FIA has made significant efforts in this area. The following are some of the most important initiatives done by the FIA thus far:

* Financial intuitions and micro-financing institutions can now easily be accessed for data. The new Case Management System includes a method for obtaining data via the CMS.
* To combat money laundering and terror funding through benami accounts, cooperation with the provincial police force and the CTD has been strengthened. To deliver, a number of workshops have been arranged.
* The FIA has also inked memorandums of understanding with the police regarding the transfer of cases while a parallel investigation is being conducted at the FIA.
* There has been an increase in coordination with FMU in regards to reporting of benami accounts suspected of money laundering.
* Officials' capacity has been considerably enhanced by training them in national and international best practices.
* A new dedicated AML/CFT directorate at the FIA was recently established for investigating money laundering and counter-terrorism financing through banking accounts and other sources.

**The Modus Operandi of Money Laundering through Benami Accounts.**

Benami accounts are used in a variety of methods for the goal of money laundering. The Shell Companies are founded for account using the identities of employers and vulnerable persons by the Financial Monitoring Unit (Alternate Remittance Service / Hawala/ Hundi, 2021). These accounts are primarily used for international Hundi/Hawala transfers. Transfer of cash via checks from and into interconnected accounts primarily held in the branches of bordering areas by an organised network of individuals/entities in some accounts. Furthermore, a significant part of funds are transferred from accounts held at one border town branch to accounts held at a tribal territory branch of a comparable bank. The majority of the account holders are under the age of thirty. They serve as benamidars for the original account holder/beneficiary and are unlikely to handle major transactions. The illegitimate transportation of monies to the tribal territory suggests that it is being used for hawala, a money laundering predicate offence. Furthermore, banks frequently report multiple STRs on foreign individuals residing in Pakistan who are engaging in hundi/hawala activities. Some of the accounts are for individuals, while others are for sole proprietorships. The majority of these accounts' transactions do not correspond to the clients' profiles (PIEE Report, 2020)

**Methods of reporting benami accounts and FIA Interventions and subsequent investigation:**

The Federal Government is authorized to establish a Financial Monitoring Unit under Section 06 of the Anti-Money Laundering Act of 2010. The FMU has the authority to accept STRs and CTRs from reporting entities, as well as analyze them. After assessing the STRs, CTRs, and other records, the FMU then distributes required information or material to the concerned investigating or prosecuting agencies for inquiry or other action under the AML Act, 2010 or any other applicable law on a confidential basis (Parliament of Pakistan, 2020). The FIA is one of the investigation agencies specified in the AMLA 2010. The FIA receives all suspicious transaction reports from bank accounts that are under its jurisdiction. The information about bank accounts provided with the FIA or any other investigation agency is confidential, and each agency can launch its own inquiry based on the information about bank accounts and transactions shared.(Ministry Of finance, 2020)

# Methodology

## This chapter is about the overall methodology used for this study. In the first part, it highlights the way this study was designed and later it described the locale and tools used.

## Universe of the study:

As mentioned earlier, the research work was confined to the Federal Investigation Agency Zonal Office Peshawar. Data was collected from the 25 officials from which included officials from ASI to Deputy Director. All these officers are either verification officer and Investigation officer.

**Nature of the Respondents**

The main purpose of the research work was to find out as to what role FIA is playing in combating Money Laundering through Benami Accounts. For the said purpose the officials of FIA KP Zones were interviewed to find out how far FIA efforts are fruitful Money Laundering through Benami accounts.

Furthermore, secondary data available on the official websites of FIA, enquiries and FIRs registered in FIA Commercial Banking Circle Peshawar against Benamidars and Beneficiaries and stats are given in the annual report of FIA 2020 were also analyzed.

## Sampling Procedure:

## In order to achieve the objective of the study, a quantitative procedure of the sampling for the study was selected.

### Sample Size:

The sample size we targeted was 25 respondents from FIA Zonal Office Peshawar which included those who were either verification or investigation officers.

### Sample technique:

Non-probability convenience sampling technique was used to collect our sample. We found this technique very effective as it has the following advantages:

1. It is quite easy to find respondents based on the desired criteria for achieving the objectives set forth for carrying out the research.
2. Time efficient.
3. Cost efficient.

## Tools of data collection:

For the primary data, a Questionnaire consisting of 40 questions was served on officials of FIA. The questionnaires had both open and close ended questions. Questionnaires were briefly explained to the respondents. English was language-medium of the questionnaires. Furthermore, secondary data was collected from the official website of FIA, enquiries and FIRs registered in FIA Commercial Banking Circle Peshawar against Benamidars and Beneficiaries and FIA’s Annual Report 2020.

**Data collection process**

**Pre-testing of research tool**

Questionnaires were pre-tested on a few respondents prior to finalizing it. It has helped in clearing ambiguities. Furthermore, irrelevant queries were removed from the Questionnaire.

**Techniques of data analysis**

The data was analyzed through the help of SPSS (Statistical Package for the Social Sciences) when it was gathered. It was then presented in Tabular form. The research is quantitative and all the findings, facts and conclusions are presented in the shape of Numerical values. Brief descriptions of the tables and values are being provided for the ease of the generalized population as numerical data is easier to grasp.

**Ethical consideration**

During the process of data collection, the authors followed the entire determined ethics of social research during data collection from the office of FIA Zonal Office, Peshawar. All the research participants were dealt with affection and courtesy was shown towards them during the process of data collection. Consent of the respondents was made certain. They were assured about the confidentiality of their personal information. Furthermore, during research it was prioritized not to use the plagiarized data.

**Table 4.1: What is your age in years?**

|  |  |  |
| --- | --- | --- |
| **Age of the respondents** | **Frequency** | **%** |
| 22-29 Years | 7 | 28.0 |
| 30-38 Years | 8 | 32.0 |
| 39-50 Years | 10 | 40.0 |
| Total | 25 | 100.0 |

The above given table No. 4.1 shows that out of total 25 respondents 7 (28%) were in 22-29 years age group, 8 (32%) were in 30-38 years of age while 10 (40%) were 39-50 years aged.

**Table 4.2: What is your Educational qualification?**

|  |  |  |
| --- | --- | --- |
| **Age of the respondents** | **Frequency** | **%** |
| Master or above | 17 | 68.0 |
| Bachelor Degree | 7 | 28.0 |
| Law graduate | 1 | 4.0 |
| Total | 25 | 100.0 |

Table No. 4.2 illustrates that 7 (28%) were Bachelor degree holders, only 1 (4%) respondent was Law graduate and the remaining majority of the respondents i.e. 17 (68%) respondents were educated up to masters level. Among these 17 respondents some were M.Phil and PhD. degree holders.

**Table 4.3: What is your Gender?**

|  |  |  |
| --- | --- | --- |
| **Age of the respondents** | **Frequency** | **%** |
| Male | 21 | 84.0 |
| Female | 4 | 16.0 |
| Total | 25 | 100.0 |

Table No. 4.3 indicates the gender of the respondents. In this regard out of total 25 respondents majority 21 (84%) were male while only 4 (16%) respondents were female.

**Table 4.4: Designation of the respondents**

|  |  |  |
| --- | --- | --- |
| **Age of the respondents** | **Frequency** | **%** |
| Deputy Director | 3 | 12.0 |
| Inspector | 3 | 12.0 |
| Sub- Inspector | 13 | 52.0 |
| Assistant Sub Inspector | 4 | 16.0 |
| Constable | 2 | 8.0 |
| Total | 25 | 100% |

The above given table No. 4.4 highlights that 3 (12%) respondents were having designation of Deputy Director in FIA, 3 (12%) were Inspectors. While 13 (52%) respondents were offering their services as Sub-Inspector in FIA, 4 (16%) respondents were Assistant Sub Inspector while the remaining only 2 (8%) were constables.

**Table 4.5: Monthly income of the respondents (In PKR)**

|  |  |  |
| --- | --- | --- |
| **Age of the respondents** | **Frequency** | **%** |
| 20000 to 40000 | 1 | 4.0 |
| 40000 to 60000 | 3 | 12.0 |
| 60000 to 80000 | 2 | 8.0 |
| 80000 to 100000 | 5 | 20.0 |
| 100000 to 150000 | 11 | 44.0 |
| Above 150000 | 3 | 12.0 |
| Total  | 25 | 100% |

Table No. 4.5 shows about the monthly income of the respondents. Table shows that 1 (4%) respondents were having 20000 to 40000 monthly income, 3 (12%) were in category of 40000-60000 monthly income. 2 (8%) were earning 60000-80000 monthly income. Table further explore that 5 (20%) stated regarding their monthly income as 80000-100000 per month, 11 (44%) respondents were having 100000-150000 per month while the remaining 3 (12%) respondents marked as their monthly income is above 150000 (PKR).

**Table 4.6: What are Benami accounts and Money laundering?**

|  |  |  |
| --- | --- | --- |
| **Benami Accounts** | **Frequency** | **%** |
| Benami accounts are accounts maintained by one person for another person who provided consideration and Money laundering is disguising true nature of money earned from criminal activity | 7 | 28.0 |
| Benami accounts are Bank account held for other beneficiary and money laundering is getting money from crime | 6 | 24.0 |
| Account opened with or without consent of one person for the benefits of others and money laundering is using money obtained from crime as legitimate | 8 | 32.0 |
| Others | 4 | 16.0 |
| Total  | 25 | 100% |

Table No. 4.6 indicates that 7 (28%) respondents replied that benamiaccounts are accounts maintained by one person for another person who provided consideration and Money laundering is disguising true nature of money earned from criminal activity. 6 (25%) respondents stated that Benami accounts are Bank account held for other beneficiary and money laundering is getting money from crime. 8 (32%) were of the opinion that account opened with or without consent of one person for the benefits of others and money laundering is using money obtained from crime as legitimate.

**Table 4.7: What are the reasons for its continuous existence?**

|  |  |  |
| --- | --- | --- |
| **Reasons for benami accounts continuous existence** | **Frequency** | **%** |
| Involvement of Bankers and loopholes in Banking systems | 8 | 32.0 |
| Weak legislation and investigation procedures | 7 | 28.0 |
| Lack of coordination between institutions | 6 | 24.0 |
| Corruption in judiciary and law enforcement agencies | 4 | 16.0 |
| Total  | 25 | 100% |

According to the above given table No. 4.7, when the respondents were asked about the reasons of benami accounts and money laundering, 8 (32%) respondents replied that it is due to the involvement of bankers and loopholes in banking systems. 7 (28%) respondents were of the opinion that weak legislation and investigation procedures is the reason of benami accounts and money laundering existence. 6 (24%) respondents stated that lack of coordination between institutions, 4 (16%) respondents illustrated that corruption in judiciary and law enforcement agencies has contributed towards benami accounts and money laundering.

**Table 4.8: What are the adverse effects of Benami accounts and money laundering?**

|  |  |  |
| --- | --- | --- |
| **Effects of Benami accounts and Money laundering** | **Frequency** | **%** |
| Adverse impacts on economy | 11 | 44.0 |
| Evasion of Taxes | 6 | 24.0 |
| Creating bad image for country | 5 | 20.0 |
| Loss of foreign exchange | 3 | 12.0 |
| Total  | 25 | 100% |

Table 4.8 indicates that 11 (44%) respondents stated Benami accounts and money laundering has adverse impacts on economy, 6 (24%) respondents replied it results in evasion of taxes, 5(20%) respondents were of the opinion that it creates bad image for the country, 3 (12%) respondents stated that it cause loss of foreign exchange to the country .

**Table 4.9: What is the socio-economic profile of beneficiaries of the Benami accounts?**

|  |  |  |
| --- | --- | --- |
| **Benami accounts and Money laundering** | **Frequency** | **%** |
| Wealthy and educated businessmen | 19 | 76.0 |
| Middle class educated persons | 6 | 24.0 |
| Total  | 25 | 100% |

The above given tale 4.9 illustrates that 19 (76%) respondents were agreed that the socio-economic profile of beneficiaries of the benami accounts are wealthy and educated business, while 6 (24%) respondents replied that the socio-economic profile of beneficiaries of the benami accounts are middle class educated persons.

**Table 4.10: What is the socio-economic profile of benamidars who hold Benami accounts?**

|  |  |  |
| --- | --- | --- |
| **Benami accounts and Money laundering** | **Frequency** | **%** |
| Middle class educated persons | 5 | 20.0 |
| Poor | 20 | 80.0 |
| Total  | 25 | 100% |

According to table No. 4.10, out of total 25 respondents, 5 (20%) were of the opinion that the socio-economic profile of benamidars who holds account belonged to middle class and educated persons, while majority of the respondents i.e, 20 (80%) stated that the socio-economic profile of benamidars are poor.

**Table 4.11: What age group is vulnerable to become benamidar in creation of benami accounts?**

|  |  |  |
| --- | --- | --- |
| **Age group to become benamidar in creation of benami accounts** | **Frequency** | **%** |
| 20-30 | 13 | 52.0 |
| 31-40 | 7 | 28.0 |
| 41-50 | 5 | 20.0 |
| Total | 25 | 100% |

According to the above given table 4.11, when the respondents were asked about the age group related to vulnerable person of benamida while creating benami accounts. In this regard 13 (52%) respondents stated that persons having 20-30 years are vulnerable to become benamidar for creation of benami accounts, 7 (28%) stated that the age group vulnerable to become benamidar in creation of benami accounts is 31-40 Years. The remaining 5 (20%) respondents replied that age group 41-50 years is vulnerable to become benamidars.

**Table 4.12: Did you receive any training on Benami accounts and Money laundering?**

|  |  |  |
| --- | --- | --- |
| **Did you receive any training on Benami accounts and Money laundering** | **Frequency** | **%** |
| Yes | 15 | 60.0 |
| No | 10 | 40.0 |
| Total | 25 | 100% |

Table No. 4.12 illustrates about the training of FIA officials on benami accounts and Money laundering. In this regard 15 (60%) respondents have received proper training, while 10 (40%) were untrained.

**Table 4.13: If yes, what was the time duration of the training you received?**

|  |  |  |
| --- | --- | --- |
| **Duration of training on Benami accounts and Money laundering** | **Frequency** | **%** |
| One week | 8 | 53.33 |
| 15 Days | 5 | 33.33 |
| More than one month | 2 | 13.33 |
| Total | 15 | 100% |

According to table No. 4.13, out of total 15 trained officials of FIA, 8 (53.33%) got one week training on benami accounts and money laundering, 5 (33.3%) received 15 days training while 2 (13.33%) respondents received more than one month training on Benami accounts and Money laundering.

**Table 4.14: Are you satisfied with the quality of training that you received?**

| **Satisfaction with the quality of training** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 8 | 53.33 |
| To some extent | 7 | 46.66 |
| Total | 15 | 60.0 |

Table 4.14 explores the responses of the respondents regarding the satisfaction with the quality of trainings. In this regard out of total 15 trained officials, 8 (53.33%) were greatly satisfied with training quality, while 7 (46.66%) were satisfied to some extent.

**Table 4.15: Are you satisfied with duration of training you received?**

| **Satisfaction with duration of training** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 2 | 13.33% |
| No | 6 | 40.0% |
| To some extent | 7 | 46.66% |
| Total | 15 | 60.0 |

According to table No. 4.15, out of total 15 trained officials, only 2 (13.33%) respondents were satisfied with training duration, 6 (40%) were not satisfied while the remaining 7 (46%) were satisfied to some extent with their training duration.

**Table No. 4.16: Are you satisfied with the module of the training vis a visBenami accounts and Money laundering?**

| **Satisfaction with the module of the training** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 9 | 60% |
| To some extent | 6 | 40% |
| Total | 15 | 100% |

The above given table No. 4.16 shows that 9 (60%) respondents replied that they are completely satisfied with the module of the training vis a vis benami accounts and money laundering, while 6 (40%) were satisfied to some extent.

**Table No. 4.17: Is the training you received helpful in practically investigating Benami accounts and Money laundering?**

| **training is helpful in practically investigation** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 10 | 66.66 |
| No | 1 | 6.66 |
| To some extent | 4 | 26.66 |
| Total | 15 | 100.0 |

According to the above given table No. 4.17, out of total 15 trained officials of FIA, 10 (66.66) respondents showed their satisfaction with the training being helpful in practically investigating Benami accounts and Money laundering. Only 1 (6.66%) respondents was not satisfied with their training. While 4 (26.66%) respondents were satisfied to some extent.

**Table No. 4.18: Is it mandatory for all officials involved in investigating Benami accounts and money laundering related cases to receive these trainings?**

| **Mandatory for officials to receive these trainings** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 9 | 60% |
| No | 6 | 40% |
| Total | 15 | 100% |

Table No. 4.18 shows that 9 (60%) trained respondents stated that it is mandatory for all officials involved in investigating Benami accounts and money laundering related cases to receive these trainings, while 6 (40%) respondents not agreed.

**Table No. 4.19: Has these trainings improved capacity of officials investigating benami accounts and Money laundering offences?**

| **Trainings improved capacity of officials investigating benami accounts and Money laundering offences** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 12 | 80% |
| To some extent | 3 | 20% |
| Total | 15 | 100% |

According to the above table No. 4.19, out of 15 trained respondents, 12 (80%) replied that these trainings improved capacity of officials who investigate benami accounts and Money laundering offences . While 3 (20%) were agreed to some extent.

**Table No. 4.20: Is there any dedicated facility available to train FIA Officials on Benami accounts and money laundering?**

| **Dedicated facility available to train FIA Officials on Benami accounts and money laundering** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 9 | 60% |
| No | 6 | 40% |
| Total | 15 | 100% |

The above table 4.20 shows the respondent’s opinion regarding the available facilities during training period. In this regard 9 (60%) respondents replied that there is dedicated facility available to train FIA Officials on Benami accounts and money laundering, while 6 (40%) respondents not agreed to the statement.

**Table No. 4.21: Are the efforts made by FIA in curtailing Benami accounts during last five years enough?**

| **Efforts made by FIA in curtailing Benami accounts is enough** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 10 | 40.0 |
| No | 5 | 20.0 |
| To some extent | 10 | 40.0 |
| Total | 25 | 100.0 |

According to table No. 4.21 when the respondents were asked about the role of FIA in investigating benami accounts and its usage for money laundering, 10 (40%) respondents replied that the efforts made by FIA in curtailing Benami accounts during last five years are enough to curtail benami accounts and money laundering works. While 5 (20%) respondents did not agreed to the statement. The remaining 10 (40%) respondents were agreed to some extent.

**Table No. 4.22: Is the existing resource of FIA enough for combating money laundering through Benami accounts?**

| **Existing resource of FIA enough for combating money laundering through Benami accounts** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 1 | 4.0 |
| No | 11 | 44.0 |
| To some extent | 13 | 52.0 |
| Total | 25 | 100.0 |

Table No. 4.22 illustrates that only 1 (4%) respondents agreed that the existing resources of FIA are enough for combating money laundering through benami accounts, 13 (52%) respondents were agreed to some extent, while 11 (44%) respondents completely disagreed to the statement and replied that the existing resource of FIA are not enough for combating money laundering through Benami accounts.

**Table No. 4.23: Is the existing human capacity enough for combating money laundering through Benami accounts?**

| **Existing human capacity enough for combating money laundering through Benami accounts** | **Frequency** | **Percent** |
| --- | --- | --- |
| No | 11 | 44.0 |
| To some extent | 14 | 56.0 |
| Total | 25 | 100.0 |

The above given table 4.23 reveals the facts regarding whether the human capacity for combating money laundering through benami accounts are enough or otherwise. In this regard 11 (44%) respondents were completed agreed that the existing human capacity is enough for combating money laundering through Benami accounts, while 14 (56%) respondents agreed to some extent.

**Table No. 4.24: How many cases of benami accounts you have investigated?**

| **Investigated cases of benami accounts** | **Frequency** | **Percent** |
| --- | --- | --- |
| More than 12 | 5 | 20.0 |
| Less than 12 | 12 | 48.0 |
| Nill | 6 | 24.0 |
| Number unknown | 2 | 8.0 |
| Total | 25 | 100.0 |

According to table No. 4.24 out of total 25 respondents, 5 (20%) investigated more than 12 cases of benami accounts, 12 (48%) respondents stated that they have investigated less than 12 cases of benami accounts. 6 (24%) respondents replied that they have not investigate any case of benami accounts while 2 (8%) respondents investigated benami accounts but they do not remember the cases number.

**Table No. 4.25: What was the source of information through which these benami accounts were reported?**

| **Source of information through which these benami accounts were reported** | **Frequency** | **Percent** |
| --- | --- | --- |
| Own source  | 1 | 4.0 |
| Reported by other LEA or reporting agency | 13 | 52.0 |
| Mixed | 11 | 44.0 |
| Total | 25 | 100.0 |

Table No. 4.25 shows that the source of information through which the benami account cases were reported to FIA. In this regard only 1 (4%) respondents replied that the benami account cases are reported by their own sources. 13 (52%) respondents stated that the cases of benami accounts are reported by other LEA or reporting agency. According to 11 (44%) respondents benami accounts cases are reported to FIA through mixed sources.

**Table No. 4.26: Were the beneficiaries and benamidars pointed out successfully during investigation?**

| **Beneficiaries and benamidars pointed out successfully during investigation** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 14 | 56.0 |
| No | 2 | 8.0 |
| To some extent | 9 | 36.0 |
| Total | 25 | 100.0 |

Table No. 4.26 shows that 14 (56%) respondents agreed that beneficiaries and benamidars were pointed out successfully during investigation, 2 (8%) respondents did notagreed, while 9 (36%) respondents agreed to some extent.

**Table 4.27: Was the element of money laundering successfully identified?**

| **Was the element of money laundering successfully identified?** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 10 | 40.0 |
| No | 2 | 8.0 |
| To some extent | 13 | 52.0 |
| Total | 25 | 100.0 |

According to the above table No. 4.27, out of total 25 respondents, 10 (40%) replied that during the investigation process, the element of money laundering was successfully identified. 13 (52%) were agreed to some extent while 2 (8%) did not agree and they replied that the element of money laundering was not successfully identified during investigation.

**Table No. 4.28: Were these cases successfully prosecuted?**

| **Were these cases successfully prosecuted?** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 3 | 12.0 |
| No | 2 | 8.0 |
| To some extent | 20 | 80.0 |
| Total | 25 | 100.0 |

Table No. 4.28 illustrated that 3 (12%) respondents were of the opinion that cases were successfully prosecuted. Majority of the respondents i.e. 20 (80%) respondents agreed to some extent, while the remaining 2 (8%) respondents did not agree and they stated that the cases of benami accounts and money laundering were not successfully prosecuted.

**Table No. 4.29: List major impediments while investigating Benami accounts.**

| **List major impediments while investigating Benami accounts** | **Frequency** | **Percent** |
| --- | --- | --- |
| Lack of access to bank accounts data | 9 | 36.0 |
| Lack of coordination between banks and law enforcement agencies | 3 | 12.0 |
| Lack of resources and professional training | 7 | 28.0 |
| Non-Cooperation from bank | 6 | 24.0 |
| Total | 25 | 100.0 |

The above given table No. 4.29, explores the list of major impediments while investigating benami account cases. In this regard, 9 (36%) respondents stated that lack of access to bank account data is a major impediments during investigating benami accounts. 3 (12%) respondents replied as lack of coordination between banks and law enforcement agencies as a major impediments during investigating benami accounts. 7 (28%) respondents stated lack of resources and professional training as a major impediments during investigating benami accounts. The remaining only 6 (24%) respondents were of the opinion that non-cooperation from the bank is a major impediments during investigating benami accounts,

**Table No. 4.30: Is the current legislation regarding benami accounts and its usage for money laundering effective?**

| **Effectiveness of Current legislation regarding Benami accounts and its usage for money laundering**  | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 9 | 36.0 |
| No | 6 | 24.0 |
| To some extent | 10 | 40.0 |
| Total | 25 | 100.0 |

Table No. 4.29 indicates that 9 (36%) respondents agreed that the current legislation regarding benami accounts and its usage for money laundering is more effective. 10 (40%) respondents agreed to some extent, while 6 (24%) respondents did not agree to the statement.

**Table No. 4.31: Are the current Procedures and standing orders in vogue in FIA enough for identifying benami accounts?**

| **Current Procedures and standing orders in vogue in FIA enough for identifying benami accounts** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 6 | 24.0 |
| No | 6 | 24.0 |
| To some extent | 13 | 52.0 |
| Total | 25 | 100.0 |

According to the above given table 4.31, out of total 25 respondents, 13 (52%) agreed to some extent that current Procedures and standing orders in vogue in FIA are enough for identifying benami accounts, 6 (24%) completely agreed and the remaining 6 (24%) did not agree to the statement.

**Table No. 4.32: Is the prevailing administrative set up effective regarding the Benami accounts and money laundering?**

| **Prevailing administrative set up effective regarding the Benami accounts and money laundering?** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 2 | 8.0 |
| No | 5 | 20.0 |
| To some extent | 18 | 72.0 |
| Total | 25 | 100.0 |

According to data analysis table No. 4.32, out of total 25 respondents, only 2 (8%) respondents were of the opinion that the prevailing administrative set up is more effective regarding the Benami accounts and money laundering. 5 (20%) respondents did not agree.Majority of respondents i.e. 18 (72) agreed with the statement to some extent.

**Table No. 4.33: Is there any room for improvement the in vogue legislations and procedures regarding benami accounts and Money laundering?**

| **Is there any room for improvement the in vogue legislations and procedures regarding benami accounts and Money laundering?** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 17 | 68.0 |
| No | 1 | 4.0 |
| To some extent | 7 | 28.0 |
| Total | 25 | 100.0 |

Table No. 4.33 illustrates that 17 (68%) respondents replied that there is a room for improvement in the vogue legislations and procedures regarding benami accounts and money laundering, while 1 (4%) respondents did not agree. Likewise, 7 (28%) respondents agreed with some extent.

**Table No. 4.34: List major loopholes in legislation and administration vis a visBenami accounts and money laundering.**

| **List major loopholes in legislation and administration vis a visBenami accounts and money laundering** | **Frequency** | **Percent** |
| --- | --- | --- |
| Corruption in judiciary and institutions | 9 | 36.0 |
| Lack of community policing | 7 | 28.0 |
| Lack of centralize authority for coordination | 9 | 36.0 |
| Total | 25 | 100.0 |

According to the above given table No. 4.34, when the respondents were asked about the major loopholes in legislation and administration vis a vis benami accounts and money laundering, in this regard 9 (36%), respondents stated that corruption in judiciary and institutions is a major loophole. 7 (28%) respondents marked lack of community policing as major loopholes in legislation and administration. While the remaining 9 (36%) respondent identified lack of centralize authority for coordination as a major loopholes in legislation and administration vis a vis Benami accounts and money laundering.

**Table No. 4.35: Do Benamidar and Beneficiary of benami accounts work in cahoots?**

| **Benamidar and Beneficiary of benami accounts work in cahoots** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 9 | 36.0 |
| No | 1 | 4.0 |
| To some extent | 15 | 60.0 |
| Total | 25 | 100.0 |

Table No. 4.35 explores that 9 (36%) respondents stated that benamidar and beneficiary of benami account works in cahoots. While 1 (4%) respondents stated otherwise. The Table further shows that majority numbers of the respondents i.e. 15 (60%) stated that they work to some extent.

**Table No. 4.36: Do benamidar and Beneficiary know each other?**

| **Do benamidar and Beneficiary know each other?** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 11 | 44.0 |
| No | 2 | 8.0 |
| To some extent | 12 | 48.0 |
| Total | 25 | 100.0 |

Table No. 4.36 illustrates that out of total 25 respondents, 11 (44%) completely agreed that benamidar and Beneficiary know each other, while 2 (8%) respondents did not agree to the statement. Table further reveals that 12 (48%) respondents agreed to some extent.

**Table No. 4.37: Do FIA maintain any record of Benamidarand Beneficiaries who operates Benami accounts and provide consideration for these accounts?**

| **FIA maintain any record of Benamidar and Beneficiaries who operates benami accounts and provide consideration for these accounts** | **Frequency** | **Percent** |
| --- | --- | --- |
| Yes | 13 | 52.0 |
| No | 1 | 4.0 |
| To some extent | 11 | 44.0 |
| Total | 25 | 100.0 |

Table No. 4.37 illustrates that 13 (52%) respondents agreed with the statement that FIA maintain record of Benamidar and Beneficiaries who operates benami accounts and provide consideration for these accounts, while 1 (4%) respondent did not agree. On the other hand, 11 (44%) respondents agreed to some extent that FIA maintain record of Benamidar and Beneficiaries who operates benami accounts and provide consideration for these accounts.

**Table No. 4.38: Which bank is mainly/frequently used for benami account and money laundering?**

| **Bank mainly/frequently used for benami account and money laundering?** | **Frequency** | **Percent** |
| --- | --- | --- |
| United Bank Limited | 13 | 52.0 |
| All Banks including above | 12 | 48.0 |
| Total | 25 | 100.0 |

According to above table No. 4.38, out of total 25 respondents, 13 (52%), were of the opinion that UBL is mainly/frequently used for benami account and money laundering, while 12 (48%) marked all banks including UBL used for benami account and money laundering.

**Table No. 4.39: Which business is mainly used for making these benami accounts?**

| **Business mainly used for making these benami accounts** | **Frequency** | **Percent** |
| --- | --- | --- |
| Clothes Business | 9 | 36.0 |
| Construction and real estate | 2 | 8.0 |
| Import Export/ Commission Agents | 7 | 28.0 |
| Disguised Hundi/Hawala | 7 | 28.0 |
| Total | 25 | 100.0 |

Table 4.39 indicates that 9 (36%) respondents stated that mainly clothes business is used for making benami accounts, 2 (8%) stated construction sector as declared business for making benami accounts, while the same ratio i.e. 7 (28) stated import, export / commission agents are main sectors using for benami account. Table further expires that 7 (28%) replied that disguised Hundi / Hawala network are mainly used for making these benami accounts.

**Table No. 4.40: Which area is mainly used for making these accounts?**

| **Which area is mainly used for making these accounts?** | **Frequency** | **Percent** |
| --- | --- | --- |
| Ex-Fata and Malakand free Tax Region | 16 | 64.0 |
| Peshawar | 9 | 36.0 |
| Total | 25 | 100.0 |

Above table given shows that out of total 25 respondents, 16 (64%) replied that ex-FATA and Malakand free tax region is mainly used for marking benamidar accounts, while only 9(36%) respondents marked as Peshawar is mainly used for marking benamidar accounts.

## Summary of Findings:

## From the data collected during research, the following conclusion can safely be inferred. The study found out that 69% of respondents (FIA officials) were master graduates, 28 percent held Bachelor degree and 04 % held law degrees. Furthermore, 84 % percent were male and 16 % were female. According to 32 % respondents, the reasons of continuous of money laundering through benami accounts is involvement of Bankers and loopholes in Banking systems while weak legislation and investigation procedures and lack of coordination between institutions have been termed by 28 % and 24 % respectively. Some held corruption in institution as the main reason Money Laundering through Benami accounts. Majority of respondent termed it bad for economy. Some declared it as bad for country reputation. 76 % respondent replied that beneficiary of Benami accounts are wealthy and educated businessmen while 80 % responded that account holders are poor persons. Collectively, 80 % respondents stated that age 21-40 is most vulnerable for making Benami accounts. 60 % of respondents have received specialized training on Benami accounts while 40 % did not receive any training. Majority of those who received training has received one week training. 33.3 % of respondents received 15 days trainings. Only 13.33 % showed satisfaction over the duration of trainings while 60% of respondents showed satisfactions over module of trainings. Moreover, 66.6 % respondent stated that these trainings were helpful in practically investigation Benami accounts. 80 % of respondents showed that these training improved capacity of officials. Only 4 percent of respondents think that existing resources of FIA is enough for combating Benami accounts. 52 % of respondent thinks that capacity is enough to some extent. Majority think that existing human resources are enough to some extent. Furthermore, majority of respondents have investigated less than 12 cases. It was also found that most of Benami accounts are either reported by reporting agencies or other Law Enforcement Agencies (LEAs). In most of the Benami accounts cases, Benamidars, beneficiaries and elements of Money laundering have been found. It was also observed prosecutions rate is low. The responses shows that the major impediment in investigating benami accounts includes lack of access to bank accounts data, lack of coordination between banks and law enforcement agencies, lack of resources and professional training and non-cooperation from bank. Majority of respondents considers current legislation and procedures are effective. Most consider the administrative setup effective up to some extent and consider room for improvement. It was also found that the Benamidars and Beneficiaries work in cahoots and know each other. Furthermore, UBL and other major Banks are mainly used for creation of these accounts and these accounts are mostly created in Ex-FATA and Malakand region with account holders mainly use cloth business and Import/export as disguise.

**Conclusion:**

The main aim of this thesis was to know the role of FIA in investigating Benami accounts and its subsequent use in money laundering across. This was quantitative research working which data was collected from officials of FIA Posted in different circles of Peshawar Zone. The legal framework and intuitional framework for Benami accounts was explored. This started with promulgation of Anti-Money Laundering Ordinance, 2007 with establishment of Financial Monitoring Unit. The rules of State Bank, SECP, FBR and other relevant departments has also been improved. The Ordinance was then re-introduced in 2010 as Anti Money laundering Act, 2010 with major changes. Since then, FIA and other investigating agencies receive suspicious transactions reports of accounts from all Banks. Benami accounts have been mainly used for money laundering in all forms of predicate offences. After FATF’s listing of Pakistan in Grey list, Pakistan has greatly improved its regime of countering Benami accounts and Money Laundering.In FIA, new Directorate of combating Benami accounts and money laundering has been established. The staff of FIA is mostly educated, however no specialized training regarding Benami accounts and Money Laundering has been devised for members of the agency. Loopholes in Banking system and facilitation by bankers are the most obvious reasons for its continues existence. The existence resources are enough to fight money laundering through benami accounts; however, there is room for improvement. Furthermore, institutions lack coordination for sharing information of benami accounts. The current legislation and procedures are effective. The administrative setup of FIA is effective up to some extent and consider room for improvement. The investigations of FIA shows that Benamidars and Beneficiaries work in cahoots and know each other. Furthermore, UBL and other major Banks are mainly used for creation of these accounts and these accounts are mostly created in Ex-FATA and Malakand region with account holders mainly use cloth business and Import/export as disguise.

## Suggestion / Recommendations:

## In light of the above conclusion, the following steps are being recommended/suggested.

**Banking System:**

As majority respondents termed loopholes in banking system as main reason for the existence of Money Laundering, it is recommended to bring improvement in accounts opening process of Banks. Accountability and proper vigilance may also be ensured of those involved in creation of new bank accounts.

**Improving legislation and investigation procedures of FIA:**

The current in vogue laws and investigation procedure needs amendments as investigation procedure vis a vis money laundering is complex and connecting proceed of crime is difficult to connect with crime.

**Creating Coordination between all stake holders:**

There seems to be lack of coordination between different institutions involved in combating money laundering through benami accounts. A centralized authority may be created for swift sharing of information.

**Awareness among masses:**

The age group 21-40withpoor background is vulnerable to act as benamidar, it is recommended that consorted efforts must be made by all stakeholders for the creation of awareness in masses about the negative impacts of Benami accounts and money laundering.

**Specialized training for FIA Officials:**

This study shows that majority of FIA officials has not received any specialized training on Money Laundering and Benami Accounts. It is recommended that all officials who are associated with investigating benami accounts should receive specialized training related to Banks and its procedures. Furthermore, duration of training may be increased to encompass all areas.

**Resource Allocations:**

It was found that the existence resources are not enough, it is suggested that proper resources interim of financial, human and technical may be allocated to respective offices of FIA.

**Improving prosecution of FIA:**

The rate of successfully prosecuted accused is low. Particular focus may be given to prosecution ensuring high rate of convictions.

**Enhanced vigilance in Ex-FATA and Malakand regions by Banks:**

It is recommended that the banks may put in place an enhanced vigilance in Ex-FATA and Malakand region by ensuring meticulous scrutiny while opening accounts.

**Improving procedures of certain banks:**

It is also recommended for some banks to improve their procedures while opening accounts.

**References**

Ali, I. (2018). Anti-Money Laundering Act 2010: A Critical Analysis. *LUMS LJ*, *5*, 127.

Amin, M., Naseer, R., &Akhtar, N. (2019). Pakistan in the FATF Grey -list: Compliance and Policy Readjustments. *Pakistan Journal of Terrorism Research.3(01).* https://nacta.gov.pk/wp-content/uploads/2021/09/Pakistan-in-the-FATF-Grey-list.pdf

Annual Administration Report.(2020). Federal investigation Agency, Pakistan.<https://fia.gov.pk/files/publications/522413583.pdf>

Asad, A. Z., &Zada, M. (2006).*A Critical Overview of the Current Legislation on Narcotics inPakistan*.  https://www.fmu.gov.pk/docs/laws/Control%20of%20Narcotic%20Substances%20Act.pdf

Butt, I., Rashid, A., & Khan, S. (2020). *Pakistan Initiatives and EndeavoursTo counter Money Laundering and Terrorist Financing Within FATF Perspective*. *Pakistan Vision*, *21*(1).

Chohan, U. W. (2020). *The FATF & Pakistan: A Timeline*. https://www.researchgate.net/publication/340076106\_The\_FATF\_Pakistan\_A\_Timeline

European Banking Authority.(2020). *Anti-Money Laundering and Countering the Financing of Terrorism*. https://www.eba.europa.eu/regulation-and-policy/anti-money-laundering-and-countering-financing-terrorism

Faciti Panel Interim Report.(2020). High Level Panel on International Financial Accountability, Transparency and Integrity. https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/5f7f44f76cf2f11732c2b5f0\_FACTI\_Interim\_Report\_final\_rev.pdf

FATF. (2020).*What is money laundering.* <https://www.fatf-gafi.org/faq/money>laundering/

FATF. (2021.). *About Financial Action Task Force (FATF)*. https://www.fatf-gafi.org/about/

FATF.(2021). International Standards on Combatting money laundering and financial of Terrorism and Proliferation. <https://www.fatf-gafi.org/media/fatf/documents/>recommendations/pdf

FBR.(2017). *Benami Transaction (Prohibition) Act, 2017.* https://download1.fbr.gov.pk/Docs

Federal Board of Revenue.(2017). *Benami Transaction* (Prohibition) Act – 2017).<https://www.fbr.gov.pk/benami-transactions/152515/152524>.

Federal Board of Revenue.(2019). *Implementation of Benami Transactions.*<https://www.fbr.gov.pk/pr/implementation-of-benami-transactions-prohibi/131591/2019>

Federal Board of Revenue.(2020). *Revenue Division.Government of Pakistan.*<https://www.fbr.gov.pk/introduction-aml-cft/152366/152367>

Federal investigation Agency.(2021). *FIA Report.*<https://www.fia.gov.pk/>

FIA.(2020). Annual Administration Report 2020. <https://www.fia.gov.pk/files/>publications/522413583.pdf

FIA.(2021.). *Origin and History*.<https://fia.gov.pk/about>

Financial Monitoring Unit .(2018). *Securities* and *Exchange Commission* of *Pakistan* (*Anti Money Laundering* and *Countering*. *Financing* of *Terrorism*) *Regulations*, *2018*

Financial Monitoring Unit. (October 15, 2021). *Rules regarding Financial Monitoring.Unit.*<https://www.fmu.gov.pk/rules/>

Financial Monitoring Unit.(2020). *Financial Monitoring Unit Report.*Government of Pakistan. https://www.fmu.gov.pk/

Financial Monitoring Unit.(2020, September).*Anti-Money-Laundering-Act-2010*. https://www.fmu.gov.pk/docs/Anti-Money-Laundering-Act-2010-amended-upto-Sep.%202020.pdf

Haider, K., &Akhtar, N. (2020).*Need of Legal, Administrative and Judicial Reforms in Pakistan to Combat Money Laundering and Terrorism Financing: An Analytical Study*. Review of Education, Administration & LAW, 3(1), 91-100.

High level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel)

Hill, S. A., & Hardy, P. D. (2021).  *Traditional approaches to*corruption.https:// www.unodc.org/documents/corruption/Publications/StAR/StAR\_Publication\_-\_Global\_Architecture.pdf

Ministry of communication.(2020). *Government of Pakistan.*http://www.pakpost. gov.pk/pdfForms/2020-11-29-Pakistan-Posts-(AML-and-CFT)%20-Regulations-2020.pdf.

NACTA.(2014). *National Counter Terrorism Authority Pakistan.*https://nacta.gov. pk/nap-2014/

National Accountability Bureau, Ordinance. (1999). *NAB Ordinance 1999 report*. https://nab.gov.pk/Downloads/nao.asp

National Assembly of Pakistan.(2019). *Rules of Procedure and Conduct of Business of NA*.<https://na.gov.pk/uploads/documents/1581953679_803.pdf>

Parliament of Pakistan. (2017). *Benarni Transactions (Prohibition)Act, 2017*. https://na.gov.pk/uploads/documents/1485947203\_112.pdf

Parliament of Pakistan.(1975). Federal Investigation Agency Act 1974. https://fia.gov.pk/act

Parliament of Pakistan.(1999). *National Accountability Bureau Ordinance, 1999*.https:// nab.gov.pk/Downloads/nao.asp

*PIEE Report. (2020). The Anti-Money Laundering Regime*. <https://www.piie.com>/publications/chapters\_preview/381/4iie3705.pdf

Raza, H. (1997). *Determining the Scope of the Anti-Terrorism Act 1997*. https://sahsol.lums.edu.pk/law-journal/determining-scope-anti-terrorism-act-1997-ghulam-hussain-v-state

Seymour, B. (2008). *Global money laundering.* *Journal of Applied Security Research*, *3*(3-4), 373-387.

State Bank of Pakistan.(2020). *SBP 2020 Report*.<https://www.sbp.org.pk/bprd/2020/C5-Annex.pdf>

United Nations.(2020). *Introduction to United Nations.*[www.un.org](http://www.un.org)

UNODC.(1988). *United Nations Treaty Collection.*[https://treaties.un.org/pages/ ViewDetails.aspx?src=TREATY&mtdsg\_no=VI-19&chapter=6](https://treaties.un.org/pages/%20ViewDetails.aspx?src=TREATY&mtdsg_no=VI-19&chapter=6)

UNODC.(2010, February).*Risk of Money Laundering through Financial Instruments, Users and Employees of Financial Institutions Risk of Money Laundering through Financial Instruments, Users and Employees of Fina*. https://www.unodc.org/documents/colombia/2013/diciembre/Risk\_of\_Money\_Laudering\_version\_I.pdf

UNODC.(2020). *Financial Havens, Banking Secrecy and Money Laundering*. https://www.imolin.org/imolin/finhaeng.html

UNODC.(2020). *Stages of Money Laundering*. <https://www.unodc.org/unodc/en/money-laundering/overview.html>