

including the background and possible purpose of the transaction. A guide containing examples of possible suspicious transactions and characteristics of financial transaction that may be a cause for increased scrutiny is given in Appendix-I and II.

- (3) The STR shall be filed by financial institutions and designated NFBP's immediately but not later than seven working days after forming that suspicion in respect of a particular transaction, irrespective of the fact that the transaction was followed through or not.

**5. Reports on currency transactions.** (1) When a financial institution or a NFBP under takes a cash based transaction involving payment, receipt, or transfer of an amount exceeding the minimum threshold as specified by the National Executive Committee (NEC), hereinafter referred to as the NEC, the financial institution or NFBP shall file a report of such transaction on prescribed format as annexed immediately but not later than seven working days, after the respective currency transaction.

- (2) The NEC may exempt a financial institution from the reporting requirements of sub-regulation (1) with respect to transactions between financial institutions and the following categories of entities, namely:-

(a) a department or agency of the Federal Government or a Provincial Government or any autonomous body under the Federal Government or Provincial Government.

(b) any business or category of business the reports on which entail little or no risk concerning money laundering and terrorist financing.

- (3) The Secretary of the NEC, after the approval of the NEC, shall publish in the official gazette at such times as he may determine to be appropriate (but not less frequently than once each year) a list of all the entities whose transactions with a financial institution are exempt under this sub-regulation from the reporting requirements of sub-regulation (1).

**6. Discretionary exemptions from reporting requirements.** (1) The Director General may exempt a financial institution from the reporting requirements of sub-regulation (1) of regulation 5 with respect to transactions between the financial institution and a qualified business customer of the institution on the basis of information submitted to him by the institution in accordance with procedures which the Director General shall establish.

*Explanation.* For the purposes of this sub-regulation, the expression "qualified business customer" means a business which

(a) maintains a transaction account at the financial institution;

(b) frequently engages in transactions with the financial institution which are subject to the reporting requirements of sub-regulation