



PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000

UAN: 111-001-122 Fax: 32437560

PSX/N-356

NOTICE

March 28, 2019

SOLICITATION OF PUBLIC COMMENTS

**PROPOSED AMENDMENTS TO PAKISTAN STOCK EXCHANGE LIMITED (PSX)
REGULATIONS IN RELATION TO IMPLEMENTATION OF SAHULAT ACCOUNT WITH
SIMPLIFIED KYC FACILITY FOR LOW RISK INDIVIDUAL CUSTOMERS**

This is to inform the public that the PSX has proposed amendments to PSX Regulations in relation to introduction of of Sahulat Account as an optional facility. The Sahulat Account can be opened by low risk individual resident customers with brokers after undergoing a simplified KYC and such accountholders shall be eligible to trade only in Ready Delivery Contract Market of PSX.

As per the proposed amendments, PSX has inserted an enabling provision in Clause 4.16 and consequential amendments to other chapters of PSX Regulations in relation to Sahulat Account.

Pursuant to Section 7(3) of the Securities Act, 2015, PSX hereby invites the concerned to provide comments on the proposed amendments attached herewith as **Annexure A** and Sahulat KYC Application & Account Opening Form attached herewith as **Annexure B**.

The comments must be provided in writing either in hard form or through email at comments.rad@psx.com.pk latest by **Thursday, April 04, 2019**.

ABBAS MIRZA

Acting Chief Regulatory Officer

Cc:

1. The Executive Director/HOD (PRDD), SMD, SECP
2. The Chief Executive Officer, PSX
3. The Chief Executive Officer, CDC
4. The Chief Executive Officer, NCCPL
5. The Chief Executive Officer, PMEX
6. All Heads of Department, PSX
7. PSX Notice Board & Website

“ANNEXURE A”

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO IMPLEMENTATION OF SAHULAT ACCOUNT WITH SIMPLIFIED KYC FACILITY FOR LOW RISK CUSTOMERS

Existing PSX Regulations	Regulations previously notified by PSX for comments vide notice no. PSX/N-63 dated January 21, 2019	Proposed Amendments in relation to implementation of Sahulat Account with Simplified KYC Facility	Rationale
CHAPTER 4: TRADING RIGHTS ENTITLEMENT (TRE) CERTIFICATE			
<p>4.16. REGULATIONS FOR THE MAINTENANCE OF A STANDARDIZED ACCOUNT OPENING FORM:</p> <p>4.16.1. The Brokers shall adopt the Standardized Account Opening Form (SAOF), attached as Annexure-I to this chapter, as amended from time to time, for all their Account Holders.</p> <p align="center"><u>New Insertion</u></p>	<p>4.16 REGULATIONS FOR THE MAINTENANCE OF A CUSTOMER RELATIONSHIP FORM (“CRF”):</p> <p>4.16.1 The Brokers shall adopt the CRF, attached as Annexure-I to this chapter, as amended from time to time, and the Know Your Customer Application Form specified in the Centralized Know Your Customer Organization Regulations, 2017 by NCCPL for all their Customers.</p>	<p>4.16 REGULATIONS FOR THE MAINTENANCE OF A CUSTOMER RELATIONSHIP FORM (“CRF”) AND SAHULAT ACCOUNT/ SIMPLIFIED KYC:</p> <p>4.16.1 The Securities Brokers shall adopt the CRF <u>and Sahulat Account/ Simplified KYC</u>, attached as Annexure-I to this chapter, as amended from time to time, and the Know Your Customer Application Form specified in the Centralized Know Your Customer Organization Regulations, 2017 by NCCPL for all their Customers.</p> <p><u>4.16.1A. The Securities Broker shall offer the facility of opening Sahulat Account to the small/low risk customers who wish to undergo simplified KYC and adopt Standardized Application Form for Sahulat Account/ Simplified KYC for such customers as notified by</u></p>	<p>To insert an enabling clause as 4.16.1A to implement Sahulat Account with Simplified KYC as an optional facility for low risk customers for trading only in Ready Delivery Contract Market of PSX.</p>

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	<p>4.16.2 The Securities Broker may perform KYC of their customers and open their account electronically subject to completing all regulatory requirements including conducting required verification and due diligence of customers as per the applicable laws, submission of documents/information to customers as prescribed by the Exchange under these Regulations and notices or circulars from time to time and meeting any other requirements or conditions as prescribed by the Exchange in relation to electronic KYC and account opening form.</p>	<p><u>the Exchange together with terms and conditions pertaining to Sahulat Account.</u></p> <p>No Change</p>	
<p>Explanation:</p> <p>SAOF contains the minimum Terms and Conditions which are equally binding on the Broker and Account Holder(s). However, in order to protect the rights of the concerned parties, the Brokers may include additional terms and conditions preferably in separate section to the</p>	<p>Explanation:</p> <p>CRF, which has been jointly specified by the Exchange and CDC for opening of trading account, sub-account and Investor Account, where applicable, with approval of the Commission and replaces the Standardized Account Opening Form, contains the minimum Terms</p>	<p>Explanation:</p> <p>CRF <u>and Sahulat Account/ Simplified KYC</u>, which has <u>have</u> been jointly specified by the Exchange and CDC for opening of trading account, sub-account and Investor Account, where applicable, with approval of the Commission and replaces the Standardized Account</p>	<p>Consequential amendment made in this and in various other clauses herein below pursuant to proposed insertion of clause 4.16.1A.</p> <p>This wording is deleted as SAOF will</p>

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<p>SAOF, as long as such terms and conditions do not, in any way, negate or undermine any other applicable laws, rules, regulations, directives/notices/circulars of the Commission, the Exchange etc., and the terms and conditions laid down in the said SAOF.</p> <p>4.16.2. Brokers shall incorporate any amendments in SAOF for their new Account Holders immediately and bring the same into conformity through addendums for their existing Account Holder(s) within 3 months from the publication of such amendments in the Official Gazette of Pakistan or any other time period specified by the Exchange from time to time with prior approval of the Commission. After expiry of such</p>	<p>and Conditions which are equally binding on the Broker and Customer(s). However, in order to protect the rights of the concerned parties, the Brokers may include additional terms and conditions preferably in separate section to the CRF, as long as such terms and conditions do not, in any way, negate or undermine any other applicable laws, rules, regulations, directives/notices/ circular of the Commission, the Exchange, CDC etc., and the terms and conditions laid down in the said CRF.</p> <p>4.16.3 Brokers shall incorporate any amendments in CRF for their new Customers immediately and bring the same into conformity through addendums for their existing Customer (s) within 3 months from the publication of such amendments in the Official Gazette of Pakistan or any other time period specified by the Exchange from time to time with prior approval of the Commission. After expiry of such period the Brokers</p>	<p>Opening Form, contains the minimum Terms and Conditions which are equally binding on the Broker and Customer(s). However, in order to protect the rights of the concerned parties, the Brokers may include additional terms and conditions preferably in separate section to the CRF <u>and Sahulat Account/ Simplified KYC</u>, as long as such terms and conditions do not, in any way, negate or undermine any other applicable laws, rules, regulations, directives/ notices/ circular of the Commission, the Exchange, CDC etc., and the terms and conditions laid down in the said CRF <u>and Sahulat Account/ Simplified KYC</u>.</p> <p>4.16.3 Brokers shall incorporate any amendments in CRF <u>and Sahulat Account/ Simplified KYC</u> for their new Customers immediately and bring the same into conformity through addendums for their existing Customer (s) within 3 months from the publication of such amendments in the Official Gazette of Pakistan or any other time period specified by the Exchange from time to time with prior approval of the Commission. After</p>	<p>become obsolete post implementation of CRF.</p>

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<p>period the Brokers shall not allow any Account Holder to purchase further securities without complying with the above requirement.</p> <p>4.16.3. Any amendment in the SAOF pertaining to roles and responsibilities of Brokers shall be binding on them after 7 days' notice to market participants by the Exchange, whether or not such amendments have been incorporated in the manner specified above.</p>	<p>shall not allow any Customers to purchase further securities without complying with the above requirement.</p> <p>4.16.4 Any amendment in the CRF pertaining to roles and responsibilities of Brokers shall be binding on them after 7 days' notice to market participants by the Exchange, whether or not such amendments have been incorporated in the manner specified above.</p> <p>4.16.5 Existing Customers of Securities Brokers shall, within such time as specified by the Exchange, provide additional information required in the CRF which was not required in the earlier Standardized Account Opening Form. Upon failure to comply with such timeline, the Exchange shall restrict such UIN from taking new positions. However, only squaring-up of open position(s) in all markets, including leveraged markets, and selling of securities held in the sub-account(s) of Customer shall be allowed for such restricted UIN.</p>	<p>expiry of such period the Brokers shall not allow any Customers to purchase further securities without complying with the above requirement.</p> <p>4.16.4 Any amendment in the CRF <u>and Sahulat Account/ Simplified KYC</u> pertaining to roles and responsibilities of Brokers shall be binding on them after 7 days' notice to market participants by the Exchange, whether or not such amendments have been incorporated in the manner specified above.</p> <p>No Change</p>	

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<p>4.19. CONFIRMATION OF CLIENTS' ORDERS BY TRE CERTIFICATE HOLDERS/ BROKERS:</p> <p>Whenever an order of any client has been executed by a Broker, confirmation of such execution shall be transmitted to the said client by the Broker within 24 hours of the execution of such transaction through any previously agreed mode of communication as specified in the SAOF. The confirmation order shall precisely include the following specific information:</p> <p>(a) Date on which order is executed; (b) Name and number of securities; (c) Nature of transaction (SPOT, Ready, Future, Leveraged Market, Debt Market and also whether bought or sold); (d) Price; (e) Commission rate and any other charges ; (f) Applicable regulatory levies i.e. trade or transaction fee of the Exchange, CDC, NCCPL and SECP etc.; (g) Applicable statutory levies i.e.</p>	<p>4.19. CONFIRMATION OF CLIENTS' ORDERS BY TRE CERTIFICATE HOLDERS/ BROKERS:</p> <p>Whenever an order of any client has been executed by a Broker, confirmation of such execution shall be transmitted to the said client by the Broker within 24 hours of the execution of such transaction through any previously agreed mode of communication as specified in the CRF. The confirmation order shall precisely include the following specific information:</p> <p>(a) Date on which order is executed; (b) Name and number of securities; (c) Nature of transaction (SPOT, Ready, Future, Leveraged Market, Debt Market and also whether bought or sold); (d) Price; (e) Commission rate and any other charges ; (f) Applicable regulatory levies i.e. trade or transaction fee of the Exchange, CDC, NCCPL and SECP etc.; (g) Applicable statutory levies i.e.</p>	<p>4.19. CONFIRMATION OF CLIENTS' ORDERS BY TRE CERTIFICATE HOLDERS/ BROKERS:</p> <p>Whenever an order of any client has been executed by a Broker, confirmation of such execution shall be transmitted to the said client by the Broker within 24 hours of the execution of such transaction through any previously agreed mode of communication as specified in the CRF <u>and Sahulat Account/ Simplified KYC</u>. The confirmation order shall precisely include the following specific information:</p> <p>No Change</p>	

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<p>taxes and duties of federal and provincial government;</p> <p>(h) Whether the order is executed for the Broker's own account or from the market. {Rule 4(4) of Securities & Exchange Rules, 1971}}.</p> <p>Fines: Once it is established that the Broker is in violation of the above order confirmation requirements, the Chief Regulatory Officer shall impose a fine amounting to not less than Rs.10,000/- per default but not exceeding Rs.25,000/- per default.</p>	<p>taxes and duties of federal and provincial government;</p> <p>(h) Whether the order is executed for the Broker's own account or from the market. {Rule 4(4) of Securities & Exchange Rules, 1971}}.</p> <p>Fines: Once it is established that the Broker is in violation of the above order confirmation requirements, the Chief Regulatory Officer shall impose a fine amounting to not less than Rs.10,000/- per default but not exceeding Rs.25,000/- per default.</p>		
<p>4.20. GENERAL OBLIGATIONS OF TRE CERTIFICATE HOLDERS/BROKERS RELATING TO LEVERAGED MARKETS:</p> <p>In addition to any obligation of a Broker/TRE Certificate Holder under the applicable laws, agreements or as specified in the SAOF, the Broker shall ensure the following:</p>	<p>4.20. GENERAL OBLIGATIONS OF TRE CERTIFICATE HOLDERS/BROKERS RELATING TO LEVERAGED MARKETS:</p> <p>In addition to any obligation of a Broker/TRE Certificate Holder under the applicable laws, agreements or as specified in the CRF, the Broker shall ensure the following:</p>	<p>4.20. GENERAL OBLIGATIONS OF TRE CERTIFICATE HOLDERS/BROKERS RELATING TO LEVERAGED MARKETS:</p> <p>In addition to any obligation of a Broker/TRE Certificate Holder under the applicable laws, agreements or as specified in the CRF and Sahulat Account/ Simplified KYC, the Broker shall ensure the following:</p>	
<p>4.22. MANDATORY PROVISION OF QUARTERLY ACCOUNT STATEMENT TO CLIENTS:</p>	<p>4.22. MANDATORY PROVISION OF QUARTERLY ACCOUNT STATEMENT TO CLIENTS:</p>	<p>4.22. MANDATORY PROVISION OF QUARTERLY ACCOUNT STATEMENT TO CLIENTS:</p>	

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<p>Every Broker shall provide within 15 working days of end of each quarter a quarterly account statement to each of its clients through acceptable mode of communication as provided under Standardized Account Opening Form prescribed under chapter 4 of PSX Regulations. The statement must include inter alia the following information for the reporting period:</p> <p>(a) Cash ledger statement showing opening and closing cash balances; all receipts and payments of money and settlement-wise money obligation debited or credited to the client account;</p> <p>(b) Securities positions as per back office record of the Broker showing status of available and pledged securities and reconciliation for any differences between back office record and CDS record; and</p> <p>(c) Securities positions as per CDS record.</p>	<p>Every Broker shall provide within 15 working days of end of each quarter a quarterly account statement to each of its clients through acceptable mode of communication as provided under CRF prescribed under chapter 4 of PSX Regulations. The statement must include inter alia the following information for the reporting period:</p> <p>(a) Cash ledger statement showing opening and closing cash balances; all receipts and payments of money and settlement-wise money obligation debited or credited to the client account;</p> <p>(b) Securities positions as per back office record of the Broker showing status of available and pledged securities and reconciliation for any differences between back office record and CDS record; and</p> <p>(c) Securities positions as per CDS record.</p>	<p>Every Broker shall provide within 15 working days of end of each quarter a quarterly account statement to each of its clients through acceptable mode of communication as provided under CRF <u>and Sahulat Account/ Simplified KYC</u> prescribed under chapter 4 of PSX Regulations. The statement must include inter alia the following information for the reporting period:</p> <p style="text-align: center;">No Change</p>	
4.24. RECEIPT / PAYMENT OF AMOUNT FROM / TO CUSTOMERS BY THE BROKERAGE HOUSES:	4.24 RECEIPT / PAYMENT OF AMOUNT FROM / TO CUSTOMERS BY THE BROKERAGE HOUSES:	4.24 RECEIPT / PAYMENT OF AMOUNT FROM / TO CUSTOMERS BY THE BROKERAGE HOUSES:	

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The Brokerage Houses shall receive/make payments of Rs. 25,000/- and above from/to customers drawn on customer's own bank account/in the name of customers only in the manner as provided in Standard Terms and Conditions of Standardized Account Opening Form prescribed under chapter 4 of PSX Regulations.	The Brokerage Houses shall receive/make payments of Rs. 25,000/- and above from/to customers drawn on customer's own bank account/in the name of customers only in the manner as provided in the Terms and Conditions for Trading Account in CRF prescribed under chapter 4 of PSX Regulations.	The Brokerage Houses shall receive/make payments of Rs. 25,000/- and above from/to customers drawn on customer's own bank account/in the name of customers only in the manner as provided in the Terms and Conditions for Trading Account in CRF <u>and Sahulat Account/ Simplified KYC</u> prescribed under chapter 4 of PSX Regulations.	
4.25. MANDATORY TARIFF STRUCTURE: 4.25.1. Every Broker shall provide to its clients a tariff schedule annexed to SAOF which should contain the information as prescribed under Clause 4.19 (e), (f) and (g) above.	4.25. MANDATORY TARIFF STRUCTURE: 4.25.1. Every Broker shall provide to its clients a tariff schedule annexed to CRF which should contain the information as prescribed under Clause 4.19 (e), (f) and (g) above.	4.25. MANDATORY TARIFF STRUCTURE: 4.25.1. Every Broker shall provide to its clients a tariff schedule annexed to CRF <u>and Sahulat Account/ Simplified KYC</u> which should contain the information as prescribed under Clause 4.19 (e), (f) and (g) above.	
Chapter 22: Brokers' Office/Branch Office Regulations			
22.5. OBLIGATIONS OF A BROKER WITH RESPECT TO OFFICE/BRANCH OFFICE: 22.5.4 A BOARD AT A CONSPICUOUS PLACE AT THE RECEPTION/FRONT OFFICE WHICH SHOULD CONTAIN:	22.5 OBLIGATIONS OF A BROKER WITH RESPECT TO OFFICE/BRANCH OFFICE: 22.5.4 A BOARD AT A CONSPICUOUS PLACE AT THE RECEPTION/FRONT OFFICE WHICH SHOULD CONTAIN:	No Change	

Existing PSX Regulations	Regulations previously notified by PSX for comments vide notice no. PSX/N-63 dated January 21, 2019	Proposed Amendments in relation to implementation of Sahulat Account with Simplified KYC Facility	Rationale
<p>(a) Name of the person authorized to deal with the customers.</p> <p>(b) A warning that the branch cannot deal in cash, except as provided in the Standardized Account Opening Form.</p> <p>(c) That the customer must demand deliveries as per these Regulations.</p> <p>(d) That nobody is authorized to take deposit money on fixed profits which is illegal.</p> <p>22.5.7 STAFF, SECURITY ARRANGEMENTS AND CUSTOMER SUPPORT:</p> <p>The Broker shall ensure the following with respect to their Office(s)/Branch Office(s):</p> <p>(a) It shall employ any person who has not been convicted of any non-compliance and violation by the Exchanges, Commission and/or any other competent authority;</p> <p>(b) Properly trained staff/human</p>	<p>(a) Name of the person authorized to deal with the customers.</p> <p>(b) A warning that the branch cannot deal in cash, except as provided in the CRF.</p> <p>(c) That the customer must demand deliveries as per these Regulations.</p> <p>(d) That nobody is authorized to take deposit money on fixed profits which is illegal.</p> <p>22.5.7 STAFF, SECURITY ARRANGEMENTS AND CUSTOMER SUPPORT:</p> <p>The Broker shall ensure the following with respect to their Office(s)/Branch Office(s):</p> <p>(a) It shall employ any person who has not been convicted of any non-compliance and violation by the Exchanges, Commission and/or any other competent authority;</p> <p>(b) Properly trained staff/human</p>	<p>(b) A warning that the branch cannot deal in cash, except as provided in the CRF <u>and Sahulat Account/ Simplified KYC.</u></p> <p>No Change</p>	

Existing PSX Regulations	Regulations previously notified by PSX for comments vide notice no. PSX/N-63 dated January 21, 2019	Proposed Amendments in relation to implementation of Sahulat Account with Simplified KYC Facility	Rationale
resources; (c) Security arrangements including installation of CCTV cameras for the safety of staff and record; (d) Proper arrangement for guidance and customer support for filling up of Account Opening Forms and completion of documentation; (e) Drop box facility for collection of complaints; (f) Product information related to various products/services being offered by the Broker at the Office/Branch Office through printed brochure for the information of potential/existing clients.	resources; (c) Security arrangements including installation of CCTV cameras for the safety of staff and record; (d) Proper arrangement for guidance and customer support for filling up of Account Opening Forms and completion of documentation; (e) Drop box facility for collection of complaints; (f) Product information related to various products/services being offered by the Broker at the Office/Branch Office through printed brochure for the information of potential/existing clients.	(d) Proper arrangement for guidance and customer support for filling up of Account Opening Forms CRF and Sahulat Account/ Simplified KYC and completion of documentation; No Change	
Chapter 23: System Audit [Regulatory Compliance] Regulations			
<u>Schedule-A</u> <u>SCOPE OF AUDIT</u> 1. <u>Client level compliance</u> Check the complete trail of following for selected clients.	<u>Schedule-A</u> <u>SCOPE OF AUDIT</u> 1. <u>Client level compliance</u> Check the complete trail of following for selected clients.	No Change	

Existing PSX Regulations	Regulations previously notified by PSX for comments vide notice no. PSX/N-63 dated January 21, 2019	Proposed Amendments in relation to implementation of Sahulat Account with Simplified KYC Facility	Rationale
<p>1.1 The Standardized Account Opening Form (SAOF) of the selected clients is in compliance with the requirements of these Regulations and any provision of such SAOF is not in contravention of the terms and conditions as laid down in the Annexure-I to the chapter 4 of these Regulations.</p> <p>1.2 Obtain the understanding of Broker's Client Order mechanism. If the orders for sale or purchase of securities are taken verbally by the Broker, check that Broker is authorized to take verbal orders as per the SAOF or otherwise written instructions for orders for sale or purchase of securities to the Broker are available.</p> <p>For telephonic orders, also match the telephonic recording with orders placed.</p>	<p>1.1 The CRF of the selected clients is in compliance with the requirements of these Regulations and any provision of such CRF is not in contravention of the terms and conditions as laid down in the Annexure-I to the chapter 4 of these Regulations.</p> <p>1.2 Obtain the understanding of Broker's Client Order mechanism. If the orders for sale or purchase of securities are taken verbally by the Broker, check that Broker is authorized to take verbal orders as per the CRF or otherwise written instructions for orders for sale or purchase of securities to the Broker are available.</p> <p>No Change</p>	<p>1.1 The CRF <u>and Sahulat Account/ Simplified KYC</u> of the selected clients is in compliance with the requirements of these Regulations and any provision of such CRF <u>and Sahulat Account/ Simplified KYC</u> is not in contravention of the terms and conditions as laid down in the Annexure-I to the chapter 4 of these Regulations.</p> <p>1.2 Obtain the understanding of Broker's Client Order mechanism. If the orders for sale or purchase of securities are taken verbally by the Broker, check that Broker is authorized to take verbal orders as per the CRF <u>and Sahulat Account/ Simplified KYC</u> or otherwise written instructions for orders for sale or purchase of securities to the Broker are available.</p> <p>No Change</p>	

End of Proposed Amendments

“ANNEXURE B”

[Authorized Intermediary Name]

[Authorized Intermediary Address]

**SAHULAT KNOW YOUR CLIENT (KYC) APPLICATION FORM
AND SAHULAT ACCOUNT OPENING FORM**

(INDIVIDUAL RESIDENT PAKISTANI ONLY)

(Please use BLOCK LETTERS to fill the form)

For official use of Authorized Intermediary only	
Application Form No.	
TRE Certificate No.	
Broker Registration No.	
CDS Participant ID	
Sub-Account / IAS Account No.	
Trading Account No. (Back-office ID) (if applicable)	

A. IDENTITY DETAILS OF APPLICANT																									
1. Full name of Applicant (As per CNIC/SNIC) Mr. / Mrs. / Ms.																									
2. Father's / Husband's Name:																									
3. Marital status: <input type="checkbox"/> Single <input type="checkbox"/> Married																									
4. a. CNIC/ SNIC No:																									
b. Expiry date:																									
5. Date of Birth																									
B. ADDRESS DETAILS OF APPLICANT																									
1.(a) Mailing Address: (Address should be different from authorized intermediary business address except for employees of authorized intermediary)																									
				City/Town/Village:		Province/State:			Country:																
(b) Tel. (Off.):*		(c) Tel. (Res.):*		(d) Mobile:		(e) Email*			(f) Fax*:																
2. Permanent Address: (Mandatory to fill out if different from mailing address)																									
				City/Town/Village:		Province/State:			Country:																
C. OTHER DETAILS																									
1. Gross Annual Income Details:				<input type="checkbox"/> Up to Rs. 100,000		<input type="checkbox"/> Rs. 250,001 - Rs. 500,000																			
[Please tick (✓) the relevant box]				<input type="checkbox"/> Rs. 100,001 - Rs. 250,000		<input type="checkbox"/> Above Rs. 500,000																			
2. Source of Income:																									
3.(a) Occupation:				Agriculturist		Business		Housewife		Household															
[Please tick (✓) the appropriate box]				Retired Person		Student		Business Executive		Industrialist															
				Professional		Service		Govt. /Public Sector		Others (Specify)															
(b) Name of Employer/Business:						(c) Job Title / Designation:																			
(d) Address of Employer/Business:																									
D. BANK DETAILS																									
Bank Name.:						IBAN No.:																			
E. DECLARATION																									
I hereby confirm that all the information furnished above is true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be untrue or false or misleading or misrepresenting, I am aware that I may be held liable for it.																									
Signature of the Applicant				Date: _____ (dd/mm/yyyy)				Signature of the Applicant as per CNIC/ SNIC (Only applicable if Applicant signature is different)																	
FOR OFFICE USE ONLY																									
Authorized Signatory				Date				Seal/Stamp of the Authorized Intermediary																	

* Optional

F. Zakat Status:			
<p>[If, according to the Fiqh of the Applicant(s), Zakat is not deductible, then relevant Declaration on prescribed format shall be submitted by the Applicant with the concerned Participant/TREC Holder/Investor Accountholder]. Non-Muslims shall submit an affidavit.</p>		Please tick (☑) the appropriate box	
		<input type="checkbox"/>	Muslim Zakat deductible
		<input type="checkbox"/>	Muslim Zakat non-deductible
		<input type="checkbox"/>	Not Applicable
G. Particulars of nominee (Optional)			
<p>[Nomination may be made in terms of requirements of Section 79 of the Companies Act, 2017, which inter alia requires that person nominated as aforesaid shall not be a person other than the following relatives of the Investor Accountholder/Sub-Account Holder, namely: a spouse, father, mother, brother, sister and son or daughter.]</p>	(a) Name of Nominee:		
	(b) Relationship with the Applicant: [Please tick (✓) appropriate box]		<input type="checkbox"/> Spouse <input type="checkbox"/> Father <input type="checkbox"/> Mother <input type="checkbox"/> Brother <input type="checkbox"/> Sister <input type="checkbox"/> Son <input type="checkbox"/> Daughter
	(c) CNIC <input type="checkbox"/> SNIC <input type="checkbox"/> NICOP <input type="checkbox"/> ARC <input type="checkbox"/> POC <input type="checkbox"/> No. of the Nominee: [Please tick (✓) appropriate box]		
	(d) Expiry date of CNIC /SNIC/ NICOP / ARC / POC:		
	(e) Passport details: (In case of a foreigner or a Pakistani origin)		Passport Number: Place of Issue: Date of Issue: Date of Expiry:
	H. CDC access: CDC provides FREE OF COST services under CDC access whereby Sub-account holders/Investor Account holders can have real time access to their account related information.		
	1. Do you wish to subscribe to free of cost IVR/Web Service? [Please tick (☐) the appropriate box]		<input type="checkbox"/> Yes <input type="checkbox"/> No
2. If you are subscribing to IVR and Web Service, please provide Mother's Maiden Name:			
I. AUTHORIZATION UNDER SECTIONS 12 AND 24 OF THE CDC ACT EXCLUSIVELY FOR SETTLEMENT OF UNDERLYING TRADES, PLEDGE AND RECOVERY OF PAYMENTS, CHARGES AND LOSSES (FOR SUB-ACCOUNT ONLY)			
<p>I, the undersigned, hereby give my express authority to the Participant under Section 12 and Section 24 of the Central Depositories Act, 1997 to handle Book-entry Securities beneficially owned by me and entered in my Sub-Account maintained with the Participant for securities transactions that are exclusively meant for the following purposes:</p> <ol style="list-style-type: none"> a. For the settlement of any underlying market transactions (trades) including off market transactions made by me from time to time; b. For pledge securities transactions with the NCCPL relating to any of my underlying market transactions (trades) to be settled through NCCPL from time to time; c. For the recovery of payment against any underlying market purchase transactions made by me from time to time; d. Movement by me from time to time of my Book-entry Securities from my Sub-Account under the Main Account under the control of the Participant to my Sub-Account under another Main Account under the control of the Participant or to my Sub-Account under any Main Account which is under the control of another Participant or to my Investor Account; e. Securities transactions which has been made by way of a gift of Securities by me to my Family Members or other persons in accordance with the CDC Regulations from time to time; f. For the recovery of any charges or losses against any or all of the above transactions carried out by me or services availed; and/or g. Delivery Transaction made by me for any other purposes as prescribed by the Commission from time to time. <p>Specific authority on each occasion shall be given by me to the Participant for handling of Book-entry Securities beneficially owned by me for all other purposes as permitted under the applicable laws and regulations.</p> <p>Note: Please note that above shall serve as a standing authorization to the Participant for handling of Book-entry Securities owned by the undersigned Sub-Account Holder and entered in his/her Sub-Account maintained with the Participant. Handling of Book-entry Securities for all other purposes should however require specific authority in writing from the undersigned Sub-Account Holder (in favour of the Participant). For handling of Book-entry Securities worth Rs. 500,000/- and above, the above mentioned specific authority shall be obtained on non-judicial stamp paper.</p>			
J. SIGNATURES			
Name of Applicant:		Date: Place:	Signature:

Enclosures*:

1. Copy of valid CNIC/SNIC of the Applicant;
2. Copy of valid CNIC/SNIC/NICOP/ARC/POC/Passport of the Nominee, if nominated.
3. Copy of Zakat Declaration of the Applicant. In case of Non-Muslim, an affidavit shall be submitted.

TERMS AND CONDITIONS

Please read and understand the Terms and Conditions before signing and executing this form

These Terms and Conditions shall constitute a Contract between the Parties hereto. This Contract shall govern opening, maintenance and operations of Trading Account, CDC Sub-Account(s) and sharing of UIN and KYC information to/from NCCPL and ancillary matters connected therewith.

GENERAL TERMS AND CONDITIONS:

1. All Trades, Transactions including non-Exchange Transactions (jointly referred to as "Transactions") between the Parties and Clearing and Settlement thereof and opening, maintenance and operations of Sub-Account in the CDS shall be subject to the Securities Act, 2015, Central Depositories Act, 1997, Pakistan Stock Exchange Limited (PSX) Regulations, Central Depository Company of Pakistan Limited (CDC) Regulations, CKO Regulations, 2017, National Clearing Company of Pakistan Limited (NCCPL) Regulations and the Securities Brokers (Licensing and Operations) Regulation, 2016 including Procedures, Manuals, Policies, Guidelines, Circulars, Directives, and Notifications issued and as amended thereunder by the Securities and Exchange Commission of Pakistan (SECP), PSX, CDC or NCCPL from time to time.
2. The information provided in Sahulat Know Your Client (KYC) Form and/or Sahulat Account Opening Form shall be in addition to and not in derogation of the requirements prescribed under Anti-Money Laundering and Countering Financing of Terrorism Regulations, 2018.
3. These Terms and Conditions shall be binding on the nominee, legal representative, successors in interest and/or permitted assigns of the respective Parties hereto.
4. The Securities Broker/Participant shall provide a list of its Registered Offices and Representatives authorized and employees designated to deal with the Sub-Account Holder(s)/Customer(s) along with their authorized mobile/landline/fax number(s), email and registered addresses. Any change(s) therein shall be intimated in writing to the Sub-Account Holder(s)/Customer(s) with immediate effect.
5. The Securities Broker/Participant shall independently verify any of the Customer's related information provided in this Form and under the relevant laws, rules and regulations for the purpose of KYC.
6. In case of any change in the Customer's related information provided in this Form, the Customer shall provide necessary details to the Participant/Securities Broker. Upon receipt of instruction from the Customer, the Participant/ Securities Broker shall give effect to such changes in the manner prescribed under the relevant regulations. The Participant/Securities Broker shall have the right to incorporate any change(s) in the Sub-Account Holder(s)/Customer's information in the CDS as sent by NCCPL as CKO and that such change(s) shall be deemed to have been authorized by the Sub-Account Holder(s)/Customer(s).
7. Any change in this Form or these Terms and Conditions by virtue of any changes in the aforesaid legal frameworks shall be deemed to have been incorporated and modified the rights and duties of the Parties hereto.
8. The Securities Broker/Participant and the Customer shall be entitled to terminate this Contract without giving any reasons to each other after giving notice in writing of not less than one month to the other Party. Notwithstanding any such termination, all rights, liabilities and obligations of the Parties arising out of or in respect of Transactions entered into prior to the termination of this Contract shall continue to subsist and vest in /be binding on the respective Parties or his /her/ its respective heirs, executors, administrators, legal representatives or successors in interest and permissible assigns, as the case may be. Closure of Sub-Account of the Customer under this clause shall be subject to the condition that neither any corporate action is pending at that point of time in connection with any Book-entry Securities in the Sub-Account nor any Book-Entry Securities are in Pledged Position and that the outstanding dues, if any, payable by any Party to the other Party is cleared and that the Customer has transferred or withdrawn all the Book-Entry Securities from his/her Sub-Account.
9. Where applicable, the terms "Sub-Account Holder" and "Participant" used in this Form shall include the "Customer" and "Securities Broker/TRE Certificate Holder" respectively.
10. The Securities Broker/Participant should ensure due protection to the Sub-Account Holder / Customer regarding rights to dividend, rights or bonus shares etc. in respect of transactions routed through it and not do anything which is likely to harm the interest of the Sub-Account Holder with/from whom it may have had transactions in securities.

TERMS AND CONDITIONS FOR OPENING AND OPERATIONS OF CDC SUB-ACCOUNT:

The Terms and Conditions set herein below shall govern the Sub-Account forming part of the Account Family of the CDS Participant Account of the Participant, which shall be binding on the Sub-Account Holder as well as the Participant:

1. The Registration Details and such other information specified by the Applicant in this form for opening of the Sub-Account shall appear in the Sub-Account to be established by the Participant in the CDS who shall ensure the correctness and completeness of the same.
2. Transfer, Pledge and Withdrawal of Book-entry Securities entered in the Sub-Account of the Sub-Account Holder shall only be made from time to time in accordance with the authorization given by the Sub-Account Holder to the Participant in Part (I) above pursuant to Section 12 and 24 of the Central Depositories Act, 1997. Such authorization shall constitute the congregated / entire authorizations by the Sub-Account Holder(s) in favour of the Participant and supersedes and cancels all prior authorizations (oral, written or electronic) including any different, conflicting or additional terms which appear on any agreement or form the Sub-Account Holder(s) has executed in favour of the Participant.
3. Participant shall send within 10 days of end of each quarter Account Balance statement to the Sub-Account Holder without any fee or charge showing the number of every Book-entry Security entered in his/her Sub-Account as of the end of the preceding quarter. Such Account Balance statement shall be generated from the CDS. Further, the Sub-Account Holder may request for such statement (including Account Activity reports) from the Participant at any time on payment of a fee on cost basis as prescribed by the Participant. The Participant shall be liable to provide such report/statement to the Sub-Account Holder within 3 Business Days from the date of receipt of such request, with or without charges.
4. In consideration for the facilities and services provided to the Sub-Account Holder by the Participant, the Sub-Account Holder shall pay fees and charges to the Participant as applicable for availing such facilities and services under the Central Depositories Act, 1997, the Regulations and these Terms & Conditions. In case of outstanding payment against any underlying market purchase transaction, charges and/or losses against the Sub-Account Holder, the Participant shall have the right, subject to Clause 2 above and under prior intimation to the Sub-Account Holder to clear the payment, charges and/or losses (including any shortfall in margin requirements) within the reasonable time prescribed by the Participant, to dispose off the necessary number of Book-entry Securities of the Sub-Account Holder through market-based or Negotiated Deal Market sell transaction and apply the net proceeds thereof towards the adjustment of such outstanding payment, charges and/or losses.
5. Where admission of Participant to the CDS is suspended or terminated by the CDC, the Sub-Account Holder shall have the right, subject to the Regulations and the Procedures made thereunder, to request CDC to change his/her Controlling Account Holder and Participant shall extend full cooperation to the Sub-Account Holder in every regard, without prejudice to its right of recovery of any dues or receivable from the Sub-Account Holder.
6. The provision of services as provided for hereunder shall not constitute Participant as trustee and the Participant shall have no trust or other obligation in respect of the Book-entry Securities except as agreed by the Participant separately in writing.
7. The Participant is not acting under this application form as Investment Manager or Investment Advisor to the Sub-Account Holder(s).

TERMS AND CONDITIONS FOR TRADING ACCOUNT:

1. In case any dispute in connection with the Transaction between the Securities Broker and the Customer is not settled amicably, either Party may refer the same to the Arbitration in accordance with the arbitration procedures prescribed in PSX Regulations. The decision of arbitrators shall be binding on both the Parties subject to their rights of appeal in the manner provided in PSX Regulations, if exercised. The name and other relevant particulars of the Customer shall be placed on PSX's website accessible to Securities Brokers if the Customer fails or refuses to abide by or carryout any arbitration award passed against him/her and the Customer shall have no objection to the same.
2. The assets deposited as margin by a Customer with the Securities Broker shall only be used by the Securities Broker for the purposes of dealing in securities through PSX on behalf of such Customer other than as authorized by the Customer in writing in the manner prescribed under the relevant regulations.
3. The Securities Broker may deposit unutilized funds of the Customers in a separate profit-bearing bank account and shall distribute profit to the Customers out of total profit offered by bank(s) on such funds, unless specified otherwise in writing by the Customer.
4. The Securities Broker shall be authorized to act on the instructions of Customers given through any of the following modes of communication unless specifically designated by the Customer in the Form:
 - (a) Telephonic communication over a dedicated telephone line(s) routed through centralized call recording system;
 - (b) Email/SMS/Fax/Letter on the authorized email address/mobile/fax/address of the Securities Brokers;
 - (c) Verbal orders placed through personal appearance in the registered office subject to receipt of written acknowledgement of such in-person orders by Securities Brokers.
5. The Securities Broker shall make out the Contract Note (physical or electronic form) to the Customers in respect of trades executed on their behalf based on their order instructions not later than the start of next trading day as required under the Securities Brokers (Licensing and Operations) Regulations, 2016 through any of the following acceptable modes of communication unless specifically designated by the Customer in the Form:
 - (a) Recognized courier service;
 - (b) Registered Post at given correspondence address;
 - (c) Facsimile number provided on the Form;
 - (d) By hand subject to receipt/acknowledgement; or
 - (e) Email provided on the Form in case of Electronic Contract Note.All such transactions recorded by the Securities Broker in the prescribed manner shall be conclusive and binding upon the Customer unless the Customer raises observation relating to unauthorized execution of such transaction or any error in the Contract Note within one trading day of the receipt of such Contract Note.

In the event of any dispute relating to order placement or executing of orders, the burden of proof shall be on the Securities Brokers to establish the authenticity of such order placement or execution thereof.
6. In case the Customer fails to deposit additional margins within one trading day of the margin call (in writing), the Securities Broker shall have absolute discretion to liquidate the Customer's outstanding positions including the securities purchased and carried in such account to meet the margin shortfall without further notice to the Customer.
7. The Securities Broker shall be responsible for the payment of any credit cash balance available in the account of the Customer through cross cheques or other banking channels (instruments) only within one (1) trading day of the request of the Customer subject to the maintenance of the margin requirements.
8. The Customer is aware that in the event of his/her non- payment on settlement day against securities bought on his/her account, the Securities Broker may transfer such securities to its Collateral Account under intimation to PSX in the manner as provided in PSX Regulations.
9. The Securities Broker shall accept from the Customer payments through "A/c Payee Only" crossed cheque, bank drafts, pay orders or other banking channels drawn on Customer's own bank account in case of amounts in excess of Rs. 25,000/-. Electronic transfer of funds to the Securities Broker through banks would be regarded as good as cheque. The Securities Broker shall provide the receipt to the Customer(s) in the name of the Customers duly signed by its authorized employee and the Customer(s) shall be responsible to obtain the receipt thereof. In case of cash dealings, proper receipt will be taken and given to the Customer(s), specifically mentioning if payment is for margin or the purchase of securities. The Securities broker shall immediately deposit in its bank account all cash received in whole i.e. no payments shall be made from the cash received from clients. However, in exceptional circumstances, where it becomes necessary for Securities Broker to accept cash in excess of Rs. 25,000/-, the Securities Broker shall immediately report within one trading day such instances with rationale thereof to the PSX in accordance with the mechanism prescribed by PSX.
10. The Securities Brokers shall make all payments to the Customers through crossed cheques / bank drafts / pay orders or any other banking channels showing payment of amount from their business bank account. Copies of these payment instruments including cheques, pay orders, demand drafts and online instructions shall be kept in record for a minimum period prescribed under the Securities Brokers (Licensing and Operations) Regulations, 2016.
11. The Securities Broker shall provide to the Customers a quarterly Account Statement which shall include cash and securities ledgers as back office and CDC Sub-Account records along with reconciliation of any differences therein through any of the aforesaid modes of communication. In case of any discrepancy in the ledger statement, the Customer shall inform the Securities Broker within seven (7) days of receipt of the quarterly account statement to remove such discrepancy. Further, the Securities Broker shall provide to a Customer an Account Statement for a period specified by the Customer as and when requested by such Customer.
12. The Customer shall pay all applicable taxes and statutory and regulatory fee and levies and brokerage commissions as are prevailing from time to time in connection with the brokerage services rendered. The Securities Broker/Participant can debit up to the accrued amount of levies and charges the account of the Customers for the abovementioned charges, which shall be clearly detailed in the ledger statement/daily confirmations. Any change resulting in an increase in the brokerage commission shall take effect not earlier than five (5) trading days of intimation of the same to the Customers through acceptable mode of communication prescribed in the Form.
13. The Securities Broker shall append a Risk Disclosure Document with this Form in accordance with the specimen provided by PSX.

TERMS AND CONDITIONS FOR KNOW YOUR CLIENT (KYC) APPLICATION FORM "SAHULAT":

1. All terms herein shall, unless expressly stated otherwise, have the same meaning as ascribed to them in the Centralized KYC Organization Regulations.
2. The Sahulat Account can only be opened by resident Pakistani individuals with Authorized Intermediaries that are Securities Brokers and it shall be subject to following conditions or any other conditions as may be specified by PSX and/or SECP:
 - (a) Only one client code can be tagged by a Securities Broker for Sahulat Account holder in NCSS.
 - (b) Sahulat Account holder shall be allowed to open and maintain one Sahulat sub-account and/or one Sahulat IAS.
 - (c) Resident Pakistani individuals already maintaining sahulat or normal trading account with Authorized Intermediaries that are Securities Brokers are not eligible for opening Sahulat Account.
 - (d) Sahulat Account cannot be opened with joint holders
 - (e) Sahulat Account holders shall only be eligible to trade in Ready Delivery Contract Market and no transactions in Derivative Contracts and Leveraged Market shall be allowed.

- (f) Trading by Sahulat Account Holders shall be subject to such position limits as may be notified by PSX from time to time with prior approval of SECP.
3. The Customer agrees that CKO may hold, store and process its KYC Information on the KYC Information System and KYC Database in connection with its KYC functions under the Centralized KYC Organization Regulations. The Customer also agrees that CKO may disclose its KYC Information as permitted under the CKO Regulations and such other disclosures as may be reasonably necessary for compliance with any other laws or regulatory requirements.
 4. The Customer acknowledges that KYC Information System and KYC Database, including but not limited to all the information contained therein is the legal property of CKO.
 5. These terms and conditions shall be governed by the laws of Pakistan.

DECLARATION & UNDERTAKING

I, the undersigned Applicant, hereby declare/undertake that:

1. I am not minor;
2. I am of sound mind;
3. I have not applied to be adjudicated as an insolvent and that I have not suspended payment to any financial institution and that I have not compounded with my creditors;
4. I am not an undischarged insolvent;
5. I confirm having read and understood the above Terms and Conditions and I hereby unconditionally and irrevocably agree and undertake to be bound by and to comply with the above Terms and Conditions and any other terms and conditions which may be notified from time to time with the approval of the concerned authorities modifying or substituting all or any of the above Terms and Conditions in connection with the opening, maintenance and operation of the Investor Account/Sub-Account / Trading Account, as the case may be;
6. The information furnished in this form is complete, valid, true and correct to the best of my knowledge and I shall inform the Securities Broker/Participant immediately in writing of any change therein;
7. In case any of the above information is found to be false or misleading or suspension of any material fact, will render my Investor Account/Sub-Account/Trading Account, as the case may be, liable for termination and I shall be subject to further action under the law;
8. All the documents filed/submitted by me for the purpose of this application are genuine and valid, bearing genuine signatures and stamps of duly authorized individuals/representatives and are in accordance with the applicable law; and
9. I hereby now apply for opening, maintaining, operation of Investor Account/Sub-Account/Trading Account, as the case may be, with the Participant/TREC Holder.

DISCLAIMER FOR CDC ACCESS SERVICES

The main objective of providing information, reports and account maintenance services through the Interactive Voice Response System, Internet /Web access and Short Messaging Service ("SMS") or any other value added service is to facilitate the Investor Accountholders/Sub-Account Holders ("Users") with a more modern way to access their information. CDC makes no other warranty of the IVR, Internet /Web access, SMS or any other value added services and Users hereby unconditionally agree that they shall make use of the internet/web access subject to all hazards and circumstances as exist with the use of the internet. CDC shall not be liable to any Users for providing and making available such services and for failure or delay in the provision of SMS to Users and all Users, who use the IVR, internet access, SMS or any other value added services, shall be deemed to have indemnified CDC, its directors, officers and employees for the time being in office and held them harmless from and against any losses, damages, costs and expenses incurred or suffered by them as a consequence of use of the IVR system, internet/web access, SMS or any other value added services.

All Users hereby warrant and agree that their access of the internet /web by the use of a User-ID and login is an advanced electronic signature and upon issuance of such User-ID to the user, they hereby waive any right to raise any objection to the compliance of the User-ID and login with the criteria of an advance electronic signature.

All Users shall by signing this Form and by their conduct of accessing the IVR, internet/Web access, SMS or any other value added services agree to all the terms and conditions and terms of use as shall appear on the CDC website at www.cdccaccess.com.pk which shall be deemed to have been read and agreed to by the Users before signing this form.

SIGNATURES:

APPLICANT

SEAL/STAMP OF THE AUTHORIZED INTERMEDIARY