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National Clearing Company of Pakistan Limited

8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/DECEMBER-17/04

December 08, 2017

Implementation of Centralized Know Your Customer “KYC” Organization Functions

Dear Broker Clearing Members,

This is with reference to our circulars NCCPL/CM/SEPTEMBER-17/09 dated September 20, 2017 and NCCPL/CM/SEPTEMBER-17/14 dated September 26, 2017 regarding the performance of Centralized Know Your Customer (KYC) Organization “CKO” functions by the National Clearing Company of Pakistan Limited (“NCCPL”).

In this respect, we are pleased to inform you that the Securities and Exchange Commission of Pakistan (SECP) has granted license to NCCPL as CKO under the Centralized Know Your Customer (KYC) Organization Rules, 2017 (the "Rules"). For the performance of CKO functions, NCCPL has developed the KYC Information System “KIS” which shall be implemented with **effect from Tuesday, December 26, 2017**.

Please note that new CKO regime shall become mandatory only for new customers registered from December 26, 2017.

A. Admission of an Authorized Intermediary (AI) with CKO

1. The eligible person as defined in the Centralized Know Your Customer (KYC) Organization (CKO) Regulations, 2017 (the "Regulations") shall apply for registration with CKO as AI by submitting a **Registration Form attached herewith as Annexure-A** along with necessary supporting documents. In this phase of implementation, CKO regime shall be applied on Securities Broker (for customers maintain trading and CDS sub-account) and on Central Depository Company of Pakistan Limited (CDC) (for the investor account holders).
2. The CKO, subject to verification, in accordance with the Regulations, shall admit such entity as AI to access KIS. Upon admission as AI, CKO will issue dedicated User ID and Password to AI to login KIS connecting through a link: <http://kyc.nccpl.pk:6661/Kyc.jsp>
3. Standard Password Policy will also be communicated at the time of admission and AI shall be required to change password at first login into KIS.
4. Securities Brokers are advised to complete registration process with CKO as mentioned above **till Friday, December 22, 2017** to avoid any inconvenience.



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B. Registration of New Customer with CKO

The registration, verification and maintenance of KYC information of the Customers of AIs shall be performed by CKO in accordance with the Regulations, under the following guidelines:

1. Securities Broker will register new client code in National Clearing and Settlement System (NCSS) with their Unique Identification Number (UIN) and CDS Account as per the existing mechanism and submit on-line KYC Application Form in KIS **by next working day**.
2. After submission of KYC Application Form electronically in KIS, Securities Broker will be required to submit hard copy of KYC Application Form and Supporting Documents (as specified in Regulations, Annexure-I) to CKO **within 5 working days**.
3. CKO will initiate necessary processing and complete its verification **within 7 working days** from the date of receipt of KYC Application Form and supporting documents.
4. Upon such verification, CKO will approve KYC Application Form in KIS and Unique KYC Number (UKN) will automatically be generated for such Customer in KIS. However, in case of any discrepancy, **further 5 working days** will be given to AI for removal of discrepancy.
5. After issuance of UKN, CKO will obtain confirmation from the customer for the issuance of UKN **within 7 working days** from local individuals and **within 15-working days** from local/foreign corporate and foreigner individual customers.
6. At any point in time, where KYC Requirements, as mentioned above are not fulfilled in KIS, CKO shall proceed in accordance with clause 9.1 (v) of the Regulations.

C. Registration of Customer with CKO already having a UKN

1. Securities Broker will register new client code in NCSS with their UIN and CDS Account as per the existing mechanism and will also be required to generate UKN Tagging Request in KIS by **next working day**.
2. After submission of Tagging Request in KIS, AI will be required to submit authority letter duly signed by a customer to CKO **within 5 working days**.
3. CKO will initiate necessary verification **within 7 working days** from the date of receipt of the authorization letter.
4. Upon such verification, CKO will approve such tagging request and UKN will automatically be tagged with such AI in KIS. However, in case of any discrepancy, **further 5 working days** will be given to AI for removal of discrepancy.
5. CKO will obtain written confirmation from the customer for tagging of UKN in KYC Database with the concerned AI **within 7 working days** from local individuals and **within 15-working days** from local/foreign corporate and foreigner individual.
6. At any point in time, where KYC Requirements, as mentioned above are not fulfilled in KIS, CKO shall proceed in accordance with clause 9.1 (v) of the Regulations.



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D. Change in KYC Information of Customers Having UKNs

1. If a customer desirous to change his KYC Information, such customer will inform concerned AI to initiate changes electronically in KIS
2. Hard copy of KYC Change Request Form, supporting documents and authorization of change(s) from client will also be provided physically by AI to CKO **within 3 working days** from the date of submission of electronic request.
3. CKO **within 3 working days** after receipt of complete documents and its verification will send a confirmation letter to a Customer informing about the change of information in its KYC Database and shall seek customer's confirmation
4. In case of incomplete documents, AI shall be required to remove such shortcomings **within 3 working days**.
5. In case a Customer does not respond or give his acknowledgment **within 7 working days** from the date of the confirmation letter in the case of local individual Customer or **within 15 working days** from the date of the confirmation letter, as the case may be, from foreign individual Customer and local and foreign corporate Customer, the CKO shall inform the respective AI and cancel the request for change of KYC information of the Customer.

E. Approved Centralized Know Your Customer (KYC) Organization (CKO) Regulations, 2017 are attached herewith as Annexure-B.

F. Consequential approved amendments in NCCPL Regulations, 2015 are attached herewith as Annexure-C.

For the understanding of CKO functions and KIS, we have arranged an "awareness/training session" for the Securities Brokers as per the following schedule:

Date	Venue	Time
Wednesday, December 13, 2017	PSX Auditorium- Karachi	04:00 pm
Thursday, December 14, 2017	ISE Auditorium- Islamabad	04:00 pm
Friday, December 15, 2017	LSE Auditorium- Lahore	04:00 pm

Securities Brokers are requested to participate in the awareness session at their respective locations.



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For any further queries or concerns, please feel free to contact the Customer Support Services Department at UAN No. 021-111-111-622

Regards,

_____sd

Muhammad Asif

Head of Operations

CC:

1. Executive Director - Policy, Regulation and Development Department - SMD
Securities & Exchange Commission of Pakistan - Islamabad
2. Managing Director - Pakistan Stock Exchange Limited
3. Chief Executive Officer - Central Depository Company of Pakistan Limited

NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED

8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi-74000, Pakistan
Phone: (92-21) 32460811-19, Fax: (92-21) 32460827

AUTHORIZED INTERMEDIARY REGISTRATION FORM

The Chief Executive Officer,
National Clearing Company of Pakistan Limited ("NCCPL"),
Karachi-Pakistan

KIS ID. _____

NCSS ID (Applicable for Securities Broker) -----

I/We hereby apply for admission as Authorized Intermediary under Centralized Know Your Customer (KYC) Organization (CKO) Regulations, 2017 of NCCPL

Particular of Applicant

1. Full name of Applicant _____
(Please use BLOCK LETTERS)
(Must be same for those admitted as Clearing Member)
2. Mobile No(s) /Land Line Number _____
3. Email _____
4. Fax No (Optional) -----
5. NTN (Optional) _____
6. Website (Optional) -----
7. Membership of Pakistan Stock Exchange

YES	NO	Stock Exchange Member ID
8. Name and Designation of Authorized Person (for NCCPL) _____
9. Mailing Address _____

NAME OF SIGNATORY _____

DATED _____

TITLE _____

PLACE _____

SIGNATURE _____

STAMP -----

ENCLOSURES

A. For Broker Clearing Members

1. Signature Card
2. Undertaking/ Agreement with NCCPL

B. Other Entities

1. Signature Card
2. Certified True copy of Board Resolution on standard format authorizing execution of this Registration Form and the relevant Undertaking/Agreements with NCCPL
3. Power of attorney in case form is signed by agent of the applicant
4. Articles and Memorandum of Association
5. Undertaking/ Agreement with NCCPL

NCSS USER ACCESS POLICY

User No.	Authority in NCSS
• User No. 1	SAVE & POST
• User No. 2	POST
• User No. 3	SAVE

OPTION II

User No.	Authority in NCSS
* User No. 1	* POST
* User No. 2	* POST
* User No. 3	* SAVE
* User No. 4	* SAVE

1. **SAVE** functionality means to preserve the data into KIS within the designated time.
 2. **POST** functionality means to execute the Save functionality.
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National Clearing Company of Pakistan Limited
Centralized Know Your Customer (KYC) Organization
(CKO) Regulations, 2017

CKO Regulations, 2017 updated on Dated -----

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NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED

NOTIFICATION

Karachi, the _____, 2017

In exercise of the powers conferred on a Centralized Know Your Customer Organization under Rule 9 of the Centralized Know Your Customer (KYC) Organization Rules, 2017, the National Clearing Company of Pakistan Limited, being a Centralized Know Your Customer Organization, has made with the prior concurrence of the Securities and Exchange Commission of Pakistan (Commission) the following regulations called the “Centralized Know Your Customer (KYC) Organization Regulations, 2017” which shall be notified in the official Gazette and come into force on the date as may be specified in the notification.

THE CENTRALIZED KNOW YOUR CUSTOMER (KYC) ORGANIZATION REGULATIONS, 2017

Whereas, the National Clearing Company of Pakistan Limited (Company) is licensed as a Centralized Know Your Customer (KYC) Organization under the Centralized Know Your Customer (KYC) Organization Rules, 2017 (the “Rules”);

Now, therefore, the Company, in exercise of the powers conferred by sub-rule (r) of Rule 9 of the Rules, hereby makes with prior concurrence of the Commission the following Regulations, namely:-

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1	<p>SHORT TITLE AND COMMENCEMENT</p> <p>1.1 Short title</p> <p>1.1.1 These Regulations shall be called the Centralized Know Your Customer (KYC) Organization Regulations, 2017 (CKO Regulations).</p> <p>1.2 Commencement</p> <p>1.2.1 These Regulations shall be notified in the official Gazette and shall take effect on such date as may be specified in the notification.</p>
2	<p>INTERPRETATION AND DEFINITIONS</p> <p>2.1 General principles of interpretation</p> <p>2.1.1 In these Regulations, unless the context otherwise requires:</p> <ul style="list-style-type: none"> (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any statutory instrument issued under, that legislation or legislative provision; (b) a reference to these Regulations, the Procedures, the Fees, Charges and Security Deposit Schedule, or the Designated Times Schedule is a reference to these Regulations, Procedures, Fees, Charges and Security Deposit Schedule, or the Designated Times Schedule, as modified or amended from time to time; (c) if a word or expression is given a particular meaning, another part of speech or grammatical form of that word or expression has a corresponding meaning; (d) a reference to power includes a reference to authority and discretion; and (e) unless the context otherwise requires, the words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include companies or other bodies corporate, firms, institutions, authorities, commissions or governments. <p>2.2 Headings</p> <p>2.2.1 In these Regulations, headings are for convenience of reference only and do not affect interpretation.</p> <p>2.3 Conduct, acts and omissions</p> <p>2.3.1 In these Regulations, a reference to conduct or engaging in conduct includes a reference to doing or refusing to do any act, including the making of, or the giving effect to a provision of, an agreement.</p> <p>2.3.2 In these Regulations, conduct engaged in or on behalf of a person:</p> <ul style="list-style-type: none"> (a) by an officer, employee, or other agent of the person within the scope of the actual or apparent authority of the officer, employee, or other agent; or (b) by any other person at the direction or with the consent or agreement (whether

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express or implied) of an officer, employee, or other agent of the person, where the giving of the direction, consent or agreement is within the scope of the actual or apparent authority of the officer, employee, or other agent,

is taken to have been engaged in also by the person.

2.3.3 If for the purposes of these Regulations in respect of conduct engaged in by a person, it is necessary to establish the state of mind of the person, it is sufficient to show that an officer, employee, or other agent of the person by whom the conduct was engaged in within the scope of the actual or apparent authority of that officer, employee, or other agent, had that state of mind.

2.3.4 A reference in Regulation 2.3.3 to the state of mind of a person includes a reference to the knowledge, intention, opinion, belief or purpose of the person and the person's reasons for the person's intention, opinion, belief or purpose.

2.3.5 In these Regulations, unless the contrary intention appears, a reference to doing any act or thing includes a reference to causing, permitting or authorising the act or thing to be done.

2.4 Regard to be had to purpose or object of Regulations

2.4.1 In the interpretation of a Regulation, a construction that would promote the purpose or object underlying the Regulation (whether that purpose or object is expressly stated in the Regulation or not) is to be preferred to a construction that would not promote that purpose or object.

2.5 Examples

2.5.1 If these Regulations or the Procedures include an example of the operation of a Regulation or a Procedure:

- (a) the example is not to be taken to be exhaustive; and
- (b) if the example is inconsistent with the Regulation or Procedure, the Regulation or Procedure shall prevail.

2.6 Notice, notification and service of documents

2.6.1 In these Regulations or the Procedures, a reference to notifying a person of any matter includes a reference to Transmitting a message containing that matter to the person.

2.6.2 For the purposes of these Regulations and the Procedures, a Notice which is transmitted by the Company to an Authorized Intermediary shall be taken to be received by the Authorized Intermediary when matters comprised in the Notice are shown up on the computer terminal that is linked to the computer system of the Company.

2.6.3 Subject to Regulation 2.6.2, if any Regulation requires or permits the giving of Notice of any matter to a person, such Notice shall be given in writing.

2.6.4 For the purposes of any Regulation, or any provision of the Procedure, that requires or permits a notice or document to be given to a person, whether the expression "serve", "give" or "send" or any other similar expression is used, the notice or document may be given:

- (a) to a natural person:

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- (i) by delivering it to the person personally;
 - (ii) by leaving it at, or by sending it by courier or registered post to, the address of the place of residence or business of the person last known to the person serving the notice or document;
 - (iii) by sending it by facsimile to the person's facsimile number last known to the person giving the notice or document; or
 - (iv) by sending it by email to the person's email address that the Company has established for the giving of notices or documents to such person.
- (b) to a company or other body corporate:
- (i) by leaving it at, or sending it by courier or registered post to, in the case of a company, its registered office and, in the case of any other body corporate, its head office;
 - (ii) by sending it by facsimile to company's or body corporate's facsimile number last known to the person giving the notice or document; or
 - (iii) by sending it by email to such company or body corporate's email address that the Company has established for the giving of notices or documents to such Company or body Corporate.
- (c) to others:
- (i) by leaving it at, or by sending it by courier or registered post to, the address of the place of business of the addressee last known to the person serving the notice or document;
 - (ii) by sending it by facsimile to the facsimile number of the addressee last known to the person giving the notice or document; or
 - (iii) by sending it by email to such addressee's email address that the Company has established for the giving of notices or documents to such addressee.

2.6.5 For the purposes of Regulation 2.6.4:

- (a) a notice or document sent by courier shall be taken to be received at the time of delivery to the correct address;
- (b) a notice or document if sent by registered post shall be taken to be received on the 5th Business Day after the notice or document, in a correctly addressed and stamped envelope or other covering, is put in the registered post;
- (c) a notice or document sent by facsimile shall be taken to be received when the sender's facsimile machine indicates a successful transmission to the correct facsimile number;
- (d) a notice or document sent by email shall be taken to be received when the sender's computer indicates a successful transmission; and
- (e) notwithstanding anything to the contrary contained in these Regulations, if a notice or document is sent by courier or registered post, as provided in

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Regulation 2.6.4, and is returned undelivered because:

- (i) of the unavailability of the addressee at the address to which the notice or document was sent, or
- (ii) the place of business, the registered or the head office, as the case may be, to which the notice or the document was sent was found to be closed or found to be not the place of business, the registered or the head office, as the case may be, of the addressee.

such notice or document shall nevertheless be deemed to have been received by the addressee for the purposes of these Regulations.

2.6.6 Nothing in Regulation 2.6.4 prevents notices or documents being sent or given to, or served on, a person in any other manner required or permitted by law or custom.

2.6.7 If under these Regulations the Company is to give any Notice or document to Authorized Intermediary or its Customer, an accidental omission by the Company to give Notice or document to one or more Authorized Intermediary or its Customer, does not affect the validity and enforceability of any resolution, decision, proceedings or act in connection with which the Notice or document was to have been given.

2.7 Defect, irregularities and deficiencies

2.7.1 A decision, resolution, proceedings or act of the Company, the Board or the Chief Executive Officer or the Chief Regulatory Officer under these Regulations is not invalidated by any:

- (a) defect;
- (b) irregularity; or
- (c) deficiency,

of Notice or time unless:

- (i) an Authorized Intermediary concerned by the defect, irregularity or deficiency requests the Board to resolve that the decision, resolution, proceedings or act is invalid;
- (ii) the Board reasonably believes that the defect, irregularity or deficiency has caused or may cause substantial injustice which cannot reasonably be avoided; and
- (iii) the Board accordingly resolves that the decision, resolution, proceedings or act is invalid.

2.7A Evasion of Requirements Prohibited

An Authorized Intermediary shall not directly or indirectly enter into any arrangement or adopt any procedure for the purpose of evading or assisting in the evasion of the requirements prescribed under these Regulations.

2.7B Other Terms

All words or terms not defined in these Regulations shall have the same meaning as

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	assigned to them in the Securities Act, 2015, the Securities and Exchange Commission of Pakistan Act, 1997, Centralized Know Your Customer (KYC) Organization Rules, 2017 and the Companies Act, 2017.
3.	Dispute resolution between Authorized Intermediaries
3.1	Any dispute between Authorized Intermediaries in relation to matters arising under or regulated by these Regulations and/or the Procedures may be referred by any Authorized Intermediary to the Chief Executive Officer for determination in accordance with Regulations 3.3 to 3.6.
3.2	The reference made to the Chief Executive Officer under Regulation 3.1 shall: <ul style="list-style-type: none"> (a) be accompanied by payment of such fee to the CKO as the Board may from time to time specify in this behalf determine; (b) be made in writing together with the statement that the complaint is made pursuant to Regulation 3.1; and (c) must contain sufficient particulars for the Chief Executive Officer to form a view that prima facie the Authorized Intermediary referring the dispute has suffered, or is likely to suffer, a loss as a result of contravention of these Regulations and/or the Procedures by another Authorized Intermediary.
3.3	A dispute between Authorized Intermediaries may be referred to the Chief Executive Officer whether or not any Authorized Intermediary is a Party to a Proceeding or Appeal in relation to the events which have given rise to the dispute.
3.4	Upon referral of a dispute, the Chief Executive Officer may inquire into all facts, matters and circumstances relevant to the dispute and for this purpose may take statements (orally or in writing) from persons, request documents or other evidence and generally conduct his inquiries and proceedings for the resolution of the dispute as he thinks fit.
3.5	Except as required by law, no person (including the Chief Executive Officer) may use or disclose information, statements, documents or other evidence obtained by the person as a result of an inquiry of the Chief Executive Officer into a dispute, for any purpose other than resolution of that dispute.
3.6	Subject to the right of any person to have a dispute or any connected matter determined by a court or arbitration, the Chief Executive Officer may determine any dispute referred to him, and the parties to the dispute shall accept and abide by the determination of the Chief Executive Officer.
3.7	For the purpose of Regulation 3.1, the term Chief Executive Officer shall include a person designated by the Chief Executive Officer.
4	Complaints against the CKO
4.1	Subject to these Regulations, if an Authorized Intermediary has a complaint in relation to: <ul style="list-style-type: none"> (a) any failure, complete or partial, or inefficiency in the performance of any function of the CKO; or

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<p>(b) any contravention by the CKO of its obligations under these Regulations,</p> <p>such complaint may be referred to the Chief Regulatory Officer for determination in accordance with Regulation 4.3.</p> <p>4.2 The reference made to the Chief Regulatory Officer under Regulation 4.1 shall be made in writing together with the statement that the complaint is made pursuant to Regulation 4.1.</p> <p>4.3 Upon referral of a complaint, the Chief Regulatory Officer may inquire or may authorize any person to inquire into all facts, matters and circumstances relevant to the complaint and take such actions for the resolution of the complaint as he thinks appropriate in the circumstances.</p> <p>4.4 Any Authorized Intermediary aggrieved by the determination of the Chief Regulatory Officer under Regulation 4.3 may refer his complaint to the Board for determination. A request to the Board for determination must be in writing and filed by the Authorized Intermediary with the Company Secretary of the CKO within Seven (07) Business Days after receipt from the CKO the resolution determined by the Chief Regulatory Officer under Regulation 4.3.</p> <p>4.5 Upon referral of a complaint by an Authorized Intermediary to the Board for determination under Regulation 4.4, the Board may authorize a committee of the Board to inquire into all facts, matters and circumstances relevant to the complaint in the light of the Chief Regulatory Officer's determination under Regulation 4.3, and the Board may take such actions for the resolution of the complaint as it thinks fit.</p>	
<p>4A Procedures</p> <p>4.A.1 The Board may make Procedures from time to time relating to the operations and functions of KIS and implementation of these Regulations.</p> <p>4.A.2 The Procedures shall have binding effect upon the Authorized Intermediaries.</p> <p>4.A.3 If a Regulation requires a person to comply with any part of the Procedures, failure by the person to comply with that part of the Procedures is a contravention of these Regulations.</p> <p>4.A.4 The CKO shall have the right at any time to make such changes in the Procedures, including substituting the same, as it may deem necessary, provided that the CKO shall give such Notice as is reasonable in the circumstances, being of not less than ten (10) Business Days, to Authorized Intermediary prior to implementing changes in or substitution of the Procedures.</p> <p>4B Binding effect of the Regulations and Procedures</p> <p>4.B.1 These Regulations and the Procedures shall have the effect of a contract between the CKO and each Authorized Intermediary under which:</p> <p>(a) each Authorized Intermediary covenants with the CKO to observe the Regulations and the Procedures, and to perform the obligations which the Regulations and the Procedures purport to impose on the Authorized Intermediary, in the manner provided by the Regulations and the Procedures; and</p> <p>(b) the CKO covenants with each NCC Participant to observe the Regulations and</p>	

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the Procedures, and to perform the obligations which the Regulations and the Procedures purport to impose on the CKO, in the manner provided by the Regulations and the Procedures.

The CKO and the Authorized Intermediary are not liable for failure to comply with a Regulation or any requirement of the Procedures, if and to the extent to which, compliance has been delayed, interfered with, curtailed or prevented by the occurrence of an event of Force Majeure affecting the CKO and or KIS.

- 4.B.2 The CKO shall not be liable to any Authorized Intermediary or to any other person, company or other entity whatsoever which may have any rights under these Regulations or the Procedures for any failure or delay in the performance of its functions and obligations under these Regulations, the Procedures or under any applicable agreements or for any failure, break-down or suspension of KIS if such failure, delay, break down or suspension is directly or indirectly attributable to the occurrence of an event of Force Majeure or any other events or circumstances or combination of events and circumstances beyond the reasonable control of the CKO. Notwithstanding any other Regulation, this Regulation has the effect of a contract between the CKO and all Authorized Intermediary and all other persons, companies and entities which may have any rights under these Regulations, the Procedures or under any agreements entered into by them with the CKO.

4C Intellectual property

- 4.C.1 Subject to payment of fees and charges in accordance with the Fees, Charges and Security Deposit Schedule, the CKO grants to each Authorized Intermediary a non-exclusive, non-transferable license to use KIS to communicate with the KIS to the extent and in the manner required or permitted by these Regulations and the Procedures.

- 4.C.2 Subject to the license granted in Regulation 4.C.1, the CKO reserves all intellectual property rights it has or may have in relation to KIS and KIS' Software and also reserves any rights that it may have in relation to the confidentiality of information passing into or out of, or held within KIS.

- 4.C.3 To the fullest extent permitted under the law for the protection of the intellectual property rights referred to in Regulation 4.C.2, the CKO prohibits each Authorized Intermediary from:

- (a) attempting to alter or modify all or any part of KIS' Software;
- (b) attempting to recreate, reverse engineer or in any other way derive the source code or object code for all or any part of KIS' Software;
- (c) using or communicating with KIS otherwise than as required or permitted by these Regulations and the Procedures; or
- (d) allowing a person that is not an authorised person access to KIS.

4D Designated Time Schedule

- 4.D.1 The CKO shall make a Designated Time Schedule specifying the Designated Times.
- 4.D.2 The CKO may relax the requirements of the Designated Time Schedule or grant extension in any Designated Time in an emergency or on a case to case basis.
- 4.D.3 The CKO shall have the right at any time to make such amendment, modification,

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	<p>revision in/or substitution of the Designated Time Schedule as it may deem necessary, provided that the CKO shall promptly notify the Authorized Intermediary of any changes to the Designated Time Schedule prior to implementing those changes.</p>
<p>5</p>	<p>Definition</p> <p>When used in these Regulations and, where applicable, in the Procedures, the following expressions shall, unless the context requires otherwise, have the meanings herein specified below:</p> <p>Asset Management Company</p> <p>shall have the same meaning as ascribed thereto under the Non-Banking Finance Companies and Notified Entities Regulations, 2008</p> <p>Authorized Intermediary</p> <p>means a person who is registered with the CKO for performing functions relating to KYC procedures for its customers.</p> <p>CDC</p> <p>means the Central Depository Company of Pakistan Limited.</p> <p>Custodian Clearing Member</p> <p>means a person who is admitted as a Clearing Member by NCCPL under the NCCPL Regulations, 2015 for clearing and settlement of affirmed IDS trades executed on behalf of its clients.</p> <p>Centralized Know Your Customer (KYC) Organization (CKO)</p> <p>means the NCCPL licensed by the Commission under the Centralized Know Your Customer (KYC) Organization Rules, 2017, for the purpose of registration, verification, updation and maintenance of KYC information of the Customers of Authorized Intermediaries.</p> <p>CDS</p> <p>means the Central Depository System established by CDC.</p> <p>Clearing Member</p> <p>means a person who is admitted as a Clearing Member by NCCPL under the NCCPL Regulations, 2015.</p> <p>Customer</p> <p>means a person who applies for performance of his KYC through an Authorized Intermediary.</p> <p>KYC</p> <p>is an abbreviation used in these Regulations for the term “Know Your Customer”.</p>

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KYC Application Form

means the application form made available by the CKO in KIS wherein Authorized Intermediaries shall provide KYC Information of Customers as required in these Regulations.

KYC Database

means a set of KYC information both in electronic and physical form collected from the Customers.

KYC Information

means the KYC information of a Customer obtained by an Authorized Intermediary under the applicable laws including but not limited to personal, financial, occupational, business information and any supporting documents which may be required to develop a Customer's profile, as entered in KYC Application Form and includes the supporting documents as mentioned in Annexure-I of these Regulations.

KYC Information System ("KIS")

means the information system provided by the CKO to Authorized Intermediaries for the registration of Customers, to generate UKNs, submit, update and access KYC Information of such Customers in accordance with these Regulations.

NCCPL

means the National Clearing Company of Pakistan Limited.

Non-Broker Clearing Member

means a person who is admitted as a Clearing Member by NCCPL under Regulation 5.1.1 of the NCCPL Regulations, 2015 and is not a TRE Certificate Holder of a Securities Exchange.

Registration Form

means the registration form prescribed and made available by the CKO from time to time for registration of an Authorized Intermediary under these Regulations.

Securities Broker

means a securities broker licensed under the Securities Brokers (Licensing and Operations) Regulations, 2016.

Securities Exchange

means a securities exchange licensed under the Securities Exchanges (Licensing and Operations) Regulations, 2016.

TRE Certificate Holder

shall have the same meaning as ascribed thereto under the Securities Act, 2015.

Unique Identification Number (UIN)

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	<p>shall have the same meaning as ascribed thereto under the NCCPL Regulations, 2015.</p> <p>Unique KYC Number (“UKN”)</p> <p>means a system generated unique number allocated by the CKO through KIS to a Customer in accordance with these Regulations.</p>
	<p>6. Eligibility for Authorized Intermediary</p> <p>The following persons shall be eligible for registration as an Authorized Intermediary:</p> <ul style="list-style-type: none"> a) Securities Broker; b) Asset Management Company in respect of unit holders of collective investment schemes; c) CDC (for the investor account holders); and d) Any other entity which is approved by the Board of Directors of the CKO for this purpose. <p>7. Admission of an Authorized Intermediary</p> <p>7.1 Upon submission of duly filled Registration Form and supporting documents specified in the Procedures, where applicable, by an entity eligible under Regulation 6, including an undertaking from the applicant that it shall abide by these regulations, and subject to verification by the CKO and fulfillment of any other requirements as may be prescribed through Procedures, such entity shall be admitted by the CKO as an Authorized Intermediary to access KIS.</p> <p>7.2 On admission as an Authorized Intermediary under Regulation 7.1, its login shall be activated which shall enable it to access KIS using a dedicated user ID and password and to upload and extract KYC Information of Customers.</p> <p>7.3 An Authorised Intermediary shall ensure at all times that:</p> <ul style="list-style-type: none"> (a) it has the capacity to communicate reliably with the KIS; and (b) it employs or retains such personnel familiar with these Regulations as are necessary to allow to carry out its obligations in accordance with these Regulations. <p>The CKO may give advice or directions to an Authorised Intermediary in order to ensure that it meets or continues to meet the Technical and Performance Requirements.</p>
	<p>8. Suspension or Termination of an Authorized Intermediary</p> <p>8.1 The CKO may impose restrictions or suspend or terminate admission of an Authorized Intermediary excluding CDC if it fails or refuses to comply with the requirements of these Regulations or Procedures or if the CKO deems it necessary to do so in the interest of the investors or the market.</p> <p>8.2 An Authorized Intermediary, who is suspended or terminated as a Clearing Member pursuant to NCCPL Regulations, 2015, where applicable, shall also stand suspended or terminated as an Authorized Intermediary.</p> <p>8.3 An Authorized Intermediary other than a Clearing Member whose registration is suspended, cancelled or terminated by the relevant competent authority, shall also stand suspended or terminated as an Authorized Intermediary, subject to provision of such information to the CKO. All such Authorized Intermediaries shall inform the CKO about any such suspension, cancellation or termination immediately.</p>

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8.4	The action(s) taken by the CKO under Regulation 8.1, 8.2 and 8.3 shall be notified to the Stock Exchange, CDC, any other relevant authority and the Commission, and shall also be disseminated on the CKO's website.
9.	Registration, Issuance and Tagging of UKN and Change in KYC Information
9.1	Registration and Issuance of UKN
i.	<p>The Authorized Intermediary shall carry out necessary KYC procedures in respect of a Customer as per the requirements of relevant laws and regulations and such procedures shall include but are not limited to obtaining a duly filled KYC Application Form provided in Annexure-II and Annexure III along with all supporting documents specified in Annexure-I of these Regulations, verifying the copies of supporting documents with originals, where required, and conducting in-person verification, where required. After completing such procedures in respect of a Customer, the Authorized Intermediary shall forthwith fill-out the electronic KYC Application Form provided in Annexure-II and Annexure III of these Regulations with requisite KYC Information. After insertion of KYC Information in such KYC Application Form, the Authorized Intermediary shall send it electronically to the CKO through KIS for further processing. In case of joint account holder(s), the Authorized Intermediary shall also be required to proceed with KYC Application Form for each account holder separately through KIS provided that such process shall not be required if such account holder already has a valid UKN.</p> <p>The Authorized Intermediary shall obtain a physical copy of the KYC Application Form duly filled and signed by the Customer. The physical copy of the KYC Application Form shall be delivered to the CKO along with relevant supporting documents through reliable postal or courier service or by hand-delivery at the designated offices of the CKO within 5 working days from the date of electronic submission of the KYC Application Form. The Authorized Intermediary shall fix its stamp or seal on the KYC Application Form and the supporting documents along with the name and designation of the authorized personnel of the Authorized Intermediary in order to certify the completion of KYC requirements.</p>
ii.	After receipt of physical KYC Application Form duly signed by the Customer along with supporting documents, the CKO shall initiate necessary verification process in respect of the application made by a Customer. Verifiable KYC Information, provided by the Authorized Intermediary, shall be scrutinized in detail by the CKO through independent sources, wherever possible, in accordance with the Procedures or as notified by the CKO from time to time. The CKO shall determine the supporting documents that may be verified from independent sources and the validity of the remaining documents shall be determined by the CKO. The Authorized Intermediary shall assume full responsibility for the accuracy, authenticity and validity of the KYC Information and all supporting documents provided to CKO for registering the UKN.
iii.	The CKO shall complete processing and verification of the KYC Information within 7 working days from the date of receipt of the physical KYC Application Form and supporting documents provided that all formalities and requirements in respect of a KYC Application Form have been complied with.
iv.	The CKO shall not process any KYC Application Form which is incomplete, or in which the information provided is incorrect or cannot be verified or if conflicting and contradictory information is provided or if complete or accurate supporting documents are not provided to it. Any shortcomings shall be communicated to the relevant Authorized Intermediary who shall be required to obtain complete and accurate KYC Information from such Customer, and forward it to the CKO, within 5 working days of notification by the CKO through KIS, for further processing.

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- v. If an Authorized Intermediary or the Customer, as the case may be, fails to meet the timelines stipulated in these Regulations, the CKO shall take the following action:
- (a) In case where the Authorized Intermediary is a Securities Broker, notice shall be given to NCCPL, in the manner prescribed under the Procedures, which shall block the UIN tagging of the Customer with such Authorized Intermediary and trading through such client code shall be restricted till removal of discrepancies. However, pending transactions of such Customer will be allowed to be settled through respective Securities Broker in NCSS. Moreover, during the said restriction period:
- i. squaring-up of open positions in all Markets and in Leveraged Markets shall be allowed; and
 - ii. selling of Securities held in the sub-account(s) will be allowed.
- Such action of blocking shall also be communicated to the CDC to ensure that movement of securities held in the Customer's sub-account for such client code in the CDS shall only be allowed through NCSS Balance Orders; or
- (b) In case of other Authorized Intermediaries, notice shall be given to such Authorized Intermediary, in the manner prescribed under the Procedures, by the CKO, under intimation to the Commission, to take such action as required under the relevant regulatory framework.
- (c) Action as stipulated in (a) above shall also be applied if an Authorized Intermediary, who is a Broker Clearing Member or a Customer as a joint account holder, as the case may be, fails to meet the timelines stipulated in these Regulations.
- (d) Action as stipulated in (a) above shall not be applied if an Authorized Intermediary, who is a Securities Broker, creates a client code for a Non-Broker Clearing Members and/or customer of a Custodian Clearing Member.
- vi. After processing and verification of the completed KYC Application Form and KYC Information, the CKO shall electronically approve such KYC Application Form through KIS, subject to the condition that acknowledgement is received from the Customer, under clause 9.1(vii), and communicate the status of conditional approval of the KYC Application Form to the Authorized Intermediary electronically through a report available on KIS. Accordingly, a UKN shall be generated and tagged with the User ID of such Authorized Intermediary. In cases where the Authorized Intermediary is a Securities Broker, the UKN shall also be linked with the valid UIN of the Customer.
- vii. At the time of issuance of UKN, the CKO shall send a confirmation letter to the concerned Customer on the mailing or registered address or send a scanned copy of the letter through email on the email address (if provided) for local individual or corporate Customer and on the email address for foreign individual or corporate Customer, informing him about the creation and issuance of his UKN in the KYC Database and shall seek his acknowledgement that the generation of UKN through the relevant Authorized Intermediary was requested by the Customer. The Customer may make such acknowledgement by delivering the acknowledgement letter to the CKO or by sending a scanned copy of the requisite acknowledgement letter through the email address which was listed by him in his KYC Application Form. If the CKO does not receive an acknowledgement from the Customer within 7 working days from the date of the confirmation letter sent to local individual Customer and 15 working days from the date of the confirmation letter sent to foreign individual Customer and local and foreign corporate Customer, the CKO shall take action stipulated in clause 9.1 (v) of these Regulations.
- viii. An Authorized Intermediary, that is a Securities Broker, may obtain a UIN for its Customer

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and tag client code along with CDS account before initiating KYC process of a Customer in KIS. However such an Authorized Intermediary shall be required to initiate the process of UKN issuance through KIS by next working day, from the date of submission of application by a Customer, provided that this shall not be applicable to an existing Customer of a Securities Broker to whom UKN will be issued subject to the requirements of clause 9.1 (x). If an Authorized Intermediary fails to initiate the process of UKN issuance, as provided for in clause 9.1(i), the CKO shall take action as stipulated in clause 9.1 (v) of these Regulations.

- ix. After receipt of acknowledgment from the Customer under clause 9.1(vii), the KYC Application Form shall be formally approved by the CKO. The status of formal approval of the KYC Application Form shall be communicated to the Authorized Intermediary electronically through a report available on the KIS.
- x. Notwithstanding the above, all Authorized Intermediaries shall within a time period, as notified by the CKO, register their existing Customers, having valid UINs, in the **KYC** Database to obtain UKN and tagging of such UKNs with the relevant Authorized Intermediary. If an Authorized Intermediary fails to initiate and complete the UKN issuance and tagging process of its existing Customers within the stipulated time, the CKO shall take action as stipulated in clause 9.1 (v) of these Regulations.

9.2 Registration of Customers having UKN

- i. When a Customer has already obtained a valid UKN in the KYC Database and seeks to become a Customer of another Authorized Intermediary, the latter shall enter the UKN of Customer who has applied through the other Authorized Intermediary in KIS for tagging of client code. In order to ensure the confidentiality of the KYC Information of such Customer, the KIS will only display the basic information of the Customer such as Name, UIN and UKN to such Authorized Intermediary.
- ii. The Authorized Intermediary shall perform the KYC procedures in respect of a Customer which has already obtained a valid UKN in the KYC Database through another Authorized Intermediary, which it is required to conduct at the time any Customer registers with it under the laws and regulations applicable to that Authorized Intermediary including but not limited to obtaining all required identification documents, checking the copies of supporting documents with original and in-person verification, where applicable. The Authorized Intermediary shall send a request through KIS to the CKO for tagging UKN of such Customer with its User ID. For that purpose, the Authorized Intermediary shall, within 5 working days from the date of electronic submission of the request through KIS, be required to send to the CKO a hard copy of authorization letter as per standard format provided by the CKO, duly signed by such Customer and the designated officer of the Authorized Intermediary. The Authorized Intermediary shall fix its stamp and seal on any supporting documents along with the name and designation of its authorized personnel to certify the completion of KYC requirements and in-person verification, where applicable. Customer who has already applied for the issuance of UKN as per clause 9.1 shall not be allowed to apply for tagging with another account with any Authorized Intermediary till the completion of UKN creation and confirmation process as per clause 9.1. In case where UKN creation and confirmation process of a Customer is incomplete in KIS and such Customer wants to open an account with any other Authorized Intermediary, such Customer will request CKO in writing with proper justification and reason to do so. CKO, at its sole discretion, may accept or refuse the request of such Customer.
- iii. After necessary processing and verification of the request for tagging UKN of a Customer with the User ID of Authorized Intermediary, the CKO shall within 7 working days from the date of receipt of the tagging request and the authorization letter electronically approve such request on KIS, and tag the UKN of the Customer with the User ID of such Authorized Intermediary. The status of conditional approval of the tagging of the

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	<p>Customer's UKN shall be communicated to the concerned Authorized Intermediary electronically through a report available on KIS. Where applicable, the UKN of the Authorized Intermediary's Customer shall be linked with his valid UIN.</p> <p>iv. An Authorized Intermediary, which is a Securities Broker, shall be required to initiate the process of tagging UKN of a Customer with its User ID through KIS by next working day, from the date of submission of application by the Customer. If such Authorized Intermediary fails to initiate the process of UKN tagging, as explained in clause 9.2(ii), the CKO shall take action as stipulated in clause 9.1 (v) of these Regulations</p> <p>v. The CKO shall not process any UKN tagging request which is incomplete and lacks supporting documents and shall communicate such shortcoming(s) to the relevant Authorized Intermediary who shall be required to remove such shortcomings within 5 working days of notification by the CKO, for further processing.</p> <p>vi. If an Authorized Intermediary fails to complete prescribed procedures under clause 9.2 within the stipulated timeframe, the CKO shall take action as stipulated in clause 9.1 (v) of these Regulations.</p> <p>vii. The CKO shall send a confirmation letter to the Customer on the mailing or registered address or send scanned copy of letter through email on the email address (if provided) of local individual or corporate Customer and on the email address for foreign individual or corporate Customer, informing him about the tagging of UKN in its KYC Database with the concerned Authorized Intermediary and shall seek his acknowledgement whether such request was made by him. The Customer may make such acknowledgement by delivering the acknowledgement letter to the CKO or by sending a scanned copy of the acknowledgement letter through the email address which was listed by him in his KYC Application Form. In case the Customer does not respond or give his acknowledgment within 7 working days from the date of the confirmation letter seeking acknowledgment in the case of local individual Customer or within 15 working days from the date of the confirmation letter, as the case may be, from foreign individual Customer and local and foreign corporate Customer, the CKO shall inform the respective Authorized Intermediary and shall take action as stipulated in clause 9.1 (v) of these Regulations.</p> <p>viii. After receipt of acknowledgement from the Customer under clause (vii), the tagging of the Customer's UKN with the user ID of the Authorized Intermediary shall be formally approved by the CKO. Status of formal approval shall be communicated to the Authorized Intermediary electronically through a report on KIS.</p>
	<p>9.3 Change in KYC Information of Customers Having UKNs</p> <p>i. In case of any change in the KYC Information of a Customer already having a UKN, an Authorized Intermediary shall incorporate the required changes, subject to verification by the Authorized Intermediary, in the KYC updating form and send it electronically and physically to the CKO along with necessary supporting documents and authorization of the change from such Customer. The duly signed physical KYC updating form, supporting documents and authorization shall be submitted by the Authorized Intermediary to the CKO within 3 working days from the date of electronic submission in KIS.</p> <p>ii. After necessary processing and verification of the KYC updating form and KYC Information, the CKO shall, within 3 working days from the date of receipt of duly signed KYC updating form, supporting documents and authorization, send a confirmation letter to the Customer, on the mailing or registered address or scanned copy of letter through email on the email address (if provided) of local individual or corporate Customer and on the email address for foreign individual or corporate Customer, informing him about the change of information in its KYC Database and shall seek his acknowledgement whether such request was made by him. The Customer may make such acknowledgement by</p>

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	<p>delivering the acknowledgement letter to the CKO or by sending a scanned copy of the acknowledgement letter through the email address which was listed by him in his KYC Application Form. In case the Customer does not respond or give his acknowledgment within 7 working days from the date of the confirmation letter seeking acknowledgment in the case of local individual Customer or within 15 working days from the date of the confirmation letter, as the case may be, from foreign individual Customer and local and foreign corporate Customer, the CKO shall inform the respective Authorized Intermediary and cancel the request for change of KYC information of the Customer.</p> <p>iii. On receipt of acknowledgement letter from the Customer, the CKO shall electronically approve such change request through KIS. Accordingly, <u>KYC</u> Database and all relevant reports shall also be updated. Where the UKN of such Customer is tagged with other Authorized Intermediaries, all such Authorized Intermediaries shall be informed of the change in the KYC information of the Customer through a system generated report on KIS.</p> <p>iv. The CKO shall not process any request for change of KYC information which is incomplete and lacks supporting documents and shall communicate such shortcoming(s) to the relevant Authorized Intermediary who shall be required to remove such shortcomings within 3 working days of notification by the CKO, for further processing.</p> <p>v. If an Authorized Intermediary fails to submit the duly signed KYC updating form, supporting documents and authorization as mentioned in clause 9.3(i), the CKO shall cancel the request for change of KYC information and shall inform the Authorized Intermediary.</p> <p>vi. In case of closure or disjoining of any UIN with the client code assigned by a Securities Broker, for any reason whatsoever, KYC Information of such closed or disjoined Customer shall also be blocked for such Authorized Intermediary.</p>
	<p>10. Responsibilities and Obligations of the CKO</p> <p>10.1 The CKO while performing its role and functions shall inter alia comply with the requirements of rule 9 of the Centralized Know Your Customer (KYC) Organization Rules, 2017.</p> <p>10.2 The CKO while performing its role and functions shall not:</p> <p>i. be liable to compensate, indemnify or pay any amounts to any Authorized Intermediary for losses, damages, costs or expenses suffered or incurred as a consequence of a contravention by the CKO of, or failure by the CKO to comply with, any provisions of these Regulations unless the contravention or failure is caused by willful and reckless act or omission or gross negligence on the part of the CKO;</p> <p>ii. be liable to compensate, indemnify or pay any amounts to any person other than the Authorized Intermediary;</p> <p>iii. assume any liability of the accuracy or validity of the information pertaining to the in-person verification performed by Authorized Intermediaries nor shall it be held responsible for deficiency or inaccuracy in the in-person verification process, where applicable, employed by the Authorized Intermediaries performing the same; and</p> <p>iv. be liable to the Authorized Intermediary for failure to properly verify or incorrect verification under these Regulations.</p>

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	<p>10.3 The CKO will send alerts through SMS/E-mail to the Customer/Authorized Intermediary in accordance with the Procedures on the actions taken by the CKO as per these Regulations.</p>
	<p>11. Responsibilities and Obligations of Authorized Intermediaries</p> <p>11.1 The Authorized Intermediary while performing its role and functions shall inter alia comply with the requirements of rule 10 of the Centralized Know Your Customer (KYC) Organization Rules, 2017.</p> <p>11.2 An Authorized Intermediary supplying any information to the CKO in pursuance of any obligation of the Authorized Intermediary under these Regulations, shall:</p> <p>(a) be deemed to have warranted to the CKO that the information supplied is complete, true and correct and nothing has been omitted or concealed which will make such information misleading; and</p> <p>(b) indemnify the CKO against any losses, damages, liabilities, costs or expenses suffered or incurred by the CKO, including any legal costs and claims by third parties, as a result of any inaccuracy, misrepresentation, misstatement or incorrect details in the information supplied by the Authorized Intermediary or any omission in such information or any other contravention or violation of these Regulations by the Authorized Intermediary.</p> <p>11.3 The Authorized Intermediary shall at all times be responsible for ensuring compliance with all the KYC and customer due diligence policies and procedures under applicable laws.</p>
	<p>12. Fee and Charges</p> <p>12.1 The CKO shall, with the prior approval of the Commission, make a Fees and Charges Schedule specifying therein the fees and charges payable for facilities and services provided by the CKO and the time by which, or period within which, the fees and charges must be paid. The Fees and Charges Schedule as in force on the date of coming into force of these Regulations (as approved by the Commission) shall be deemed to have been made under this Regulation.</p> <p>12.2 In consideration for the facilities and services provided to it by the CKO, each Authorized Intermediary shall pay fees and charges to the CKO in accordance with the Fees and Charges Schedule.</p> <p>12.3 The Fees and Charges Schedule may include fees and charges imposed to recover costs, damages and expenses incurred by the CKO by reason of a failure by an Authorized Intermediary to comply with these Regulations and/or the Procedures.</p> <p>12.4 The CKO shall have the right, with the prior approval of the Commission, at any time to make such changes in the Fees and Charges Schedule as it may deem necessary, provided that the CKO shall promptly notify the Authorized Intermediary of any changes to the Fees and Charges Schedule prior to implementing those changes.</p> <p>12.5 A fee may be charged for any unusual expenses caused directly or indirectly by such Authorized Intermediary including but without limitation, the cost of producing records pursuant to a court order or other legal process in any litigation or other legal proceeding to which such Authorized Intermediary is a party or in which such records relating to such Authorized Intermediary are so required to be produced, whether such production is required at the instance of such Authorized Intermediary or of any other party other than the CKO.</p>
	<p>13. Disclosure of KYC Information</p>

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- 14.1 Except as provided in any other law for the time being in force, neither the CKO nor any director or officer of the CKO whether during his tenure of office or during his employment or thereafter, and no other person who has by any means knowledge of any KYC Information shall give, divulge, reveal or otherwise disclose such KYC Information to any other person.
- 14.2 The provisions contained in Regulation 14.1 shall not entitle the CKO to refuse to disclose any KYC Information:
- (a) of a Customer to such Authorized Intermediary duly authorized in writing by the Customer;
 - (b) in the case of any litigation or other legal proceedings, subject to a proper court order;
 - (c) to any person duly authorized by a competent court, by the Commission or any other competent authority holding any inquiry or investigating into any offence under any law for the time being in force;
 - (d) for the purpose of enabling or assisting the Commission to exercise any power conferred on it by any law for the time being in force;
 - (e) for the purpose of enabling or assisting any competent authority or other Government functionary to exercise any power conferred on it by any law for the time being in force;
 - (h) for the purpose of enabling or assisting Pakistan Stock Exchange or a CDC or any other Governmental or other competent authority to discharge its functions;
or
 - (g) for the purpose of enabling or assisting auditors of the Company or of a Clearing Member to discharge their functions.

Customer Type	KYC Supporting Documents for Customer
Individual	<ul style="list-style-type: none"> i. Copies of CNIC, SNIC, NICOP, ARC, POC and/or passport* where applicable. ii. Proof of mailing/permanent address* Note: In case the address provided is same as in CNIC, no additional document is mandatory. In other cases, any of the following documents shall be obtained: Utility bills; rental agreement; insurance policy. iii. Employer Details (for salaried persons)* Copy of service card or any other acceptable evidence of service, such as certificate from the employer. iv. Proof of business for self-employed persons*. <p>* Not applicable for opening <i>Sahulat</i> Accounts for individuals who wish to undergo simplified KYC.</p>
Body Corporate	<ul style="list-style-type: none"> i. Certificate of incorporation and/or certified copies of constitutive documents. Certificate of commencement of business, if applicable. ii. Any license issued by a regulatory body in case of specialized companies. iii. List of directors as per latest form 29 filed with the Commission. iv. Copy of latest form A filed with the Commission. v. NTN Certificate of the Customer. vi. Copies of CNICs of all the directors. vii. Memorandum and Articles of Association. viii. Board Resolution for opening the account and authorizing the relevant official to operate the account along with copy of CNIC of such official. ix. Latest Audited Financial Statements, where applicable. x. Where the Customer is a non-resident or foreign company/entity, duly consularized copy of board resolution/power of attorney along with constitutive documents and list of directors attested by the consul general of Pakistan having jurisdiction over the Customer.
Partnership	<ul style="list-style-type: none"> i. Copy of partnership deed. ii. Copies of CNICs of all the partners. iii. Attested copy of Registration Certificate with Registrar of Firms. In case the partnership is unregistered, this fact should be clearly mentioned. iv. Latest Financial Statements. v. Authority letter, in original, in favor of the person authorized to operate on the account of the firm along with copy of CNIC of such person.
Trusts	<ul style="list-style-type: none"> i. Copy of constitutive documents. ii. Copies of CNICs of all the trustees. iii. Copy of resolution for opening the account and authorizing the relevant official to operate the account along with copy of CNIC of such official. iv. Copy of NTN Certificate where applicable. v. Latest Audited Financial Statements, where applicable. vi. Proof of Annual Income*. vii. Proof of Net-equity/net-assets if provided in KYC Application Form*.

	* Only applicable if financial statements are not available or provided.
Other Not-for-Profit Organizations	<ul style="list-style-type: none"> i. Copies of the constitutive documents, bylaws and certificate of registration. ii. Copies of CNICs of the members of the governing body. iii. Authority letter, in original, in favor of the person authorized to operate on the account of the organization along with copy of CNIC of such person. iv. Latest Audited Financial Statements, where applicable. v. Proof of Annual Income*. vi. Proof of Net-equity/net-assets if provided in KYC Application Form*. <p>* Only applicable if financial statements are not available or provided.</p>

[Authorized Intermediary Name]

[Authorized Intermediary Address]

KNOW YOUR CLIENT (KYC) APPLICATION FORM

INDIVIDUAL

(Please use **BLOCK LETTERS** to fill the form)

A. IDENTITY DETAILS OF APPLICANT					
1. Full name of Applicant (As per CNIC/SNIC/NICOP/ARC/POC/Passport^) Mr. / Mrs. / Ms.					
2. Father's / Husband's Name:					
3. a. Nationality:	b. Marital status: <input type="checkbox"/> Single <input type="checkbox"/> Married	c. Status: <input type="checkbox"/> Resident <input type="checkbox"/> Non-Resident			
4. a. CNIC/ SNIC/NICOP/ARC/POC No:					
b. Expiry date:					
5. Passport details:^ <i>(For a foreigner or a non-resident Pakistani)</i>					
Passport Number:			Place of Issue:		
Date of Issue:			Date of Expiry:		
6. Date of Birth					
B. ADDRESS DETAILS OF APPLICANT					
1.(a)Mailing Address: <i>(Address should be different from authorized intermediary business address except for employees of authorized intermediary)</i>					
		City/Town/Village:	Province/State:	Country:	
(b) Tel. (Off.):*	(c) Tel. (Res.):*	(d) Mobile:	(e) Email*:	(f) Fax*:	
Specify the proof of address submitted for mailing address^:					
2. (a)Permanent Address: <i>(if different from above or overseas address, mandatory for Non-Resident Applicant)</i>					
(b) Tel. (Off.):*	(c) Tel. (Res.):*	(d) Mobile:	(e) Fax*:	(f) Email (If any):	
Specify the proof of address submitted for permanent address^:					
C. OTHER DETAILS					
1. Gross Annual Income Details (please specify): <input type="checkbox"/> Below Rs. 100,000 <input type="checkbox"/> Rs. 250,001 - Rs. 500,000 <input type="checkbox"/> Rs. 1,000,001 - Rs. 2,500,000 <input type="checkbox"/> Rs. 100,001 - Rs. 250,000 <input type="checkbox"/> Rs. 500,001 - Rs. 1,000,000 <input type="checkbox"/> Above Rs 2,500,001					
2. Source of Income:					
3. Shareholder's/ Unit Holder's Category: INDIVIDUAL					
4. (a) Occupation: <i>[Please tick (✓) the appropriate box]</i>					
		Agriculturist	Business	Housewife	Household
		Retired Person	Student	Business Executive	Industrialist
		Professional	Service	Govt. /Public Sector	Others (Specify)
(b) Name of Employer / Business: <i>(Include symbol if employer listed company)</i>			(c) Job Title / Designation:		(d) Department:
(e) Address of Employer / Business:					
D. BANK DETAILS					
Bank Name:			IBAN No.:		
Branch Name:			Branch Address:		
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/NICOP/ARC/POC/Passport No^ <i>(Only applicable if Applicant signature is different)</i>	
FOR OFFICE USE ONLY					
_____		_____		_____	
Authorized Signatory		Date		Seal/Stamp of the Authorized Intermediary	

* Optional

^ Not applicable for opening *Sahulat* Accounts for individuals who wish to undergo simplified KYC.

Terms & Conditions of the KYC Application Form:

- All terms herein shall, unless expressly stated otherwise, have the same meaning as ascribed to them in the Centralized KYC Organization Regulations.

2. All correspondence shall be sent by CKO at the mailing address and/or email address of the Customer, as stated on the KYC Application Form.
3. Neither the CKO nor its directors, officers, employees or agents shall be liable for losses, damages, liabilities, costs or expenses suffered or incurred by the Customer as a result of providing its KYC Information to Authorized Intermediaries or the CKO due to any reasons whatsoever including its unauthorized disclosure.
4. The Customer undertakes to indemnify the CKO against any losses, damages, liabilities, costs or expenses suffered or incurred by CKO, including any legal costs and claims by third parties, as a result of any inaccuracy, misrepresentation, misstatement or incorrect details in the information supplied by the Customer or any omission in such information or any other contravention or violation of the Centralized KYC Organization Regulations
5. The Customer agrees that in the event that he does not abide by the timelines prescribed in the Centralized KYC Organization Regulations for submission of information and confirmation to the NCCPL, the NCCPL shall be authorized to take action as prescribed in the Centralized KYC Organization Regulations. The Customer undertakes that it shall hold CKO harmless and that CKO shall not be liable for any losses, damages, liabilities, costs or expenses suffered or incurred by the Customer as a result of such actions.
6. 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.
7. 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.
8. The Authorized Intermediaries agree to pay CKO the fees and charges as prescribed by CKO from time to time in respect of its KYC functions.
9. CKO has absolute discretion to amend or supplement any of the terms and conditions at anytime and will endeavor to give prior notice of fifteen days wherever feasible for such changes.
10. The Customer agrees and affirms that it shall be bound by and acts in accordance with the provisions of the Centralized KYC Organization Regulations.
11. These terms and conditions shall be governed by the laws of Pakistan.

[Authorized Intermediary Name]
[Authorized Intermediary Address]

KNOW YOUR CUSTOMER (KYC) APPLICATION FORM

CORPORATE

(Please use **BLOCK LETTERS** to fill the form)

A. REGISTRATION (AND OTHER) DETAILS OF CUSTOMER				
1. Full name of Customer (As per constitutive documents)				
2. Date of Incorporation:		3. Incorporation Number:		4. Place of Incorporation:
5. Date of Commencement of Business:		6. National Tax No. (For exempted entities, supporting document should be provided)		
7. Industry / Sector:				
8. Registration Number / Unique Identification Number ("UIN"):				
9. Details of Contact Person of the Customer: (Should only be an authorized representative of the Customer)				
(a) Name Mr./Mrs./Ms.:				
(b) Association of the Attorney with the Customer:				
(c) Address:				
(d) CNIC/SNIC/NICOP/ARC/POC No:				
(e) Expiry date of CNIC/SNIC/NICOP/ARC/POC:			(f) Designation of the official:	
(g) Tel. (Off.):*		(h) Mobile:		(i) Fax*:
(j) E-mail:				
(h) . Passport details: (For a foreigner or a non-resident Pakistani)		Passport No:	Place of issue:	Date of Issue: Date of Expiry:
B. ADDRESS DETAILS OF CUSTOMER				
1.(a)Mailing Address:				
City/Town/Village:		Province/State:		Country:
(b) Tel. (Off.):		(c) Mobile*:		(d) Fax*:
(e) Email:				
Specify the proof of address submitted for mailing address:				
2. (a)Registered Address:				
City/Town/Village:		Province/State:		Country:
(b) Tel. (Off.):		(c) Mobile*:		(d) Fax*:
(e) Email:				
Specify the proof of address submitted for registered address:				
C. OTHER DETAILS				
1. Expected Annual Income:				
2. Net-equity / net-assets as on (date) _____ : (_____)				
3. Share holder's Category: (Please tick (✓) the appropriate box)	<input type="checkbox"/> Investment Company		<input type="checkbox"/> Modaraba	
	<input type="checkbox"/> Insurance Company		<input type="checkbox"/> Modaraba Management Company	
	<input type="checkbox"/> Charitable Trust		<input type="checkbox"/> Cooperative Society	
	<input type="checkbox"/> Leasing Company		<input type="checkbox"/> Mutual Fund	
	<input type="checkbox"/> Bank/Financial Institution		<input type="checkbox"/> Other (Please specify)	
<input type="checkbox"/> Joint Stock Company				
D. BANK DETAILS				
Bank Name:			IBAN No:	
Branch Name:			Branch Address:	
E. DECLARATION				
I/we hereby confirm that all the information furnished above is true and correct to the best of my/our knowledge and belief and I/we 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/we am/are aware that I/we may be held liable for it.				
Signature of the Authorized Person			Date: _____ (dd/mm/yyyy)	
FOR OFFICE USE ONLY				
Signature of the Authorized Signatory		Date		Seal/Stamp of the Authorized Intermediary

* Optional

Terms & Conditions of the KYC Application Form:

- All terms herein shall, unless expressly stated otherwise, have the same meaning as ascribed to them in the Centralized KYC Organization Regulations.

2. All correspondence shall be sent by CKO at the mailing address and/or email address of the Customer, as stated on the KYC Application Form.
3. Neither the CKO nor its directors, officers, employees or agents shall be liable for losses, damages, liabilities, costs or expenses suffered or incurred by the Customer as a result of providing its KYC Information to Authorized Intermediaries or the CKO due to any reasons whatsoever including its unauthorized disclosure.
4. The Customer undertakes to indemnify the CKO against any losses, damages, liabilities, costs or expenses suffered or incurred by CKO, including any legal costs and claims by third parties, as a result of any inaccuracy, misrepresentation, misstatement or incorrect details in the information supplied by the Customer or any omission in such information or any other contravention or violation of the Centralized KYC Organization Regulations.
5. The Customer agrees that in the event that it does not abide by the timelines prescribed in the Centralized KYC Organization Regulations for submission of information and confirmation to the CKO, the CKO shall be authorized to take action as prescribed in the Centralized KYC Organization Regulations. The Customer undertakes that it shall hold CKO harmless and that CKO shall not be liable for any losses, damages, liabilities, costs or expenses suffered or incurred by the Customer as a result of such actions.
6. 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.
7. 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.
8. The Authorized Intermediaries agree to pay CKO the fees and charges as prescribed by CKO from time to time in respect of its KYC functions.
9. CKO has absolute discretion to amend or supplement any of the terms and conditions at anytime and will endeavor to give prior notice of fifteen days wherever feasible for such changes.
10. The Customer agrees and affirms that it shall be bound by and acts in accordance with the provisions of the Centralized KYC Organization Regulations.
11. These terms and conditions shall be governed by the laws of Pakistan.

CENTRALIZED KYC ORGANIZATION
FEE AND CHARGES SCHEDULE

NOTIFICATION
Karachi _____, 2017

The following shall be Incorporated in the Fee and Charges Schedule.

SCHEDULE OF FEE						
S. No.	NAME	RATE	BASIS	LEVIED ON	COLLECTION	
					TIME	MODE
1.	CKO Maintenance Fee for Individual	Rs. 50	Per Customer per Authorized Intermediary	Authorized Intermediary	Annually	Through NCSS Pay & Collect
2.	CKO Maintenance Fee for Corporate (Entities other than Individuals)	Rs. 200	Per Customer per Authorized Intermediary	Authorized Intermediary	Annually	Through NCSS Pay & Collect

Consequential Amendments in NCCPL Regulations relating to CKO

Existing	Text Approved by the Commission
2.8 Definitions	2.8 Definitions
New	<p>Authorized Intermediary</p> <p><i>means a person who is registered with the CKO for performing functions relating to KYC procedures for its customers.</i></p> <p>Centralized Know Your Customer (KYC) Organization (CKO)</p> <p><i>means the NCCPL licensed by the Commission under the Centralized Know Your Customer (KYC) Organization Rules, 2017, for the purpose of registration, verification, updating and maintenance of KYC information of the Customers of Authorized Intermediaries.</i></p> <p>Customer</p> <p><i>means a person who applies for performance of his KYC through an Authorized Intermediary.</i></p> <p>KYC</p> <p><i>is an abbreviation used in these Regulations for the term “Know Your Customer”.</i></p> <p>KYC Application Form</p> <p><i>means the application form made available by the CKO in KIS wherein Authorized Intermediaries shall provide KYC Information of Customers as required in these Regulations.</i></p> <p>KYC Database</p> <p><i>means a set of KYC information both in electronic and physical form collected from the Customers by the Authorized Intermediary.</i></p> <p>KYC Information</p> <p><i>means the KYC information of a Customer obtained by an Authorized Intermediary under the applicable laws including but not limited to personal, financial, occupational, business information and any supporting documents which may be required to develop a Customer’s profile, as entered in KYC Application Form and includes the supporting documents as mentioned in Annexure-I of Centralized Know Your Customer (KYC) Organization Regulations, 2017.</i></p>

	<p>KYC Information System (“KIS”)</p> <p><i>means the information system provided by the CKO to Authorized Intermediaries for the registration of Customers, to generate UKNs, submit, update and access KYC Information of such.</i></p> <p>Unique KYC Number (“UKN”)</p> <p><i>means a system generated unique number allocated by the CKO through KIS to a Customer.</i></p>
<p>New</p>	<p>5.11 Clearing Members to Register as Authorized Intermediaries with the CKO</p> <p><u><i>5.11.1 Each Clearing Member eligible to be registered as an Authorized Intermediary with the CKO as per the Centralized Know Your Customer (KYC) Organization Regulations, 2017 shall obtain such registration immediately after admission as Clearing Member by the Company.</i></u></p> <p><u><i>Provided that existing Clearing Members eligible to be registered as Authorized Intermediaries with the CKO shall obtain such registration within such time as may be specified by the Company.</i></u></p> <p><u><i>5.11.2 A Clearing Member registered as an Authorized Intermediary with the CKO shall comply with the Centralized Know Your Customer (KYC) Organization Regulations, 2017 at all times.</i></u></p> <p><u><i>5.11.3 Each Clearing Member registered as an Authorized Intermediary with the CKO, shall within a time period as notified by the CKO, register its existing Customers, having valid UINs, in the KYC Database to obtain UKN and tagging of such UKNs with the Clearing Member.</i></u></p>
<p>9.7 Unique Identification Number</p> <p>9.7.1 Every Broker Clearing Member shall provide to the Company the Client UIN Registration Details through UIN Registration Screen in NCSS as per the Procedures.</p>	<p>9.7 Unique Identification Number</p> <p>9.7.1 Every Broker Clearing Member shall provide to the Company the Client UIN Registration Details through UIN Registration Screen in NCSS as per the Procedures.</p> <p><u><i>The Securities Broker registered as an Authorized Intermediary with CKO can obtain a UIN and tag a client code along with CDS account before initiating KYC process of a Customer in KIS. However, such Securities Broker will be required to start the UKN</i></u></p>

9.7.2 The Broker Clearing Member shall be responsible for the correctness and completeness of the Client UIN Registration Details provided to the Company and entered in UIN Registration Screen in the UINs Database. The Broker Clearing Member shall be required to obtain from and maintain the documentary evidence of UIN for each of his clients. Where requested by the Company, a Broker Clearing Member shall provide to the Company all required documentary evidence of the UIN of any of his clients entered in the UIN Registration Screen. The Company may reject such evidence at its sole discretion for any reason whatsoever. Notwithstanding acceptance by the Company of any such documentary evidence by the Broker Clearing Member, the Broker Clearing Member shall remain responsible for the correctness and completeness of the Client UIN Registration Details provided to the Company.

The Broker Clearing Member shall be responsible for obtaining all necessary authorizations from his clients for the purposes of creating UINs in the UINs Database. The Company shall not be responsible for any unauthorized creation of UIN or for misuse of any UIN by the Broker Clearing Member. Each Broker Clearing Member shall indemnify and hold harmless the Company from and against any claims, losses, damages, costs and expenses suffered and/or incurred by the Company as a consequence of the creation and use of any UIN in the UINs Database.

9.7.3 The UIN Registration Details of Clients of every Broker Clearing Member mapped with CDS house, investor account and/or sub-accounts, as the case may be, wherever required by the Company in the UIN Registration Details, will be accessible by Pakistan Stock Exchange in NCSS as per the transmission mechanism described in the Procedures.

issuance process with the CKO within the time determined under the Centralized Know Your Customer (KYC) Organization Regulations, 2017 or procedures of the CKO. Once the UKN is issued by the CKO, the same shall be linked with the UIN in the NCSS as per the process prescribed under the Procedures.

The Securities Broker shall not tag the client code of a Customer with the UIN, where that client has already applied for issuance of UKN through another Authorized Intermediary to CKO and the application is in process. The Securities Broker, in such case, shall only proceed to tag a UIN with the client code where a valid UKN issued by the CKO is provided by the Customer.

9.7.2 The Broker Clearing Member shall be responsible for the correctness and completeness of the Client UIN Registration Details provided to the Company and entered in UIN Registration Screen in the UINs Database. The Broker Clearing Member shall be required to obtain from and maintain the documentary evidence of UIN for each of his clients. Where requested by the Company, a Broker Clearing Member shall provide to the Company all required documentary evidence of the UIN of any of his clients entered in the UIN Registration Screen. The Company may reject such evidence at its sole discretion for any reason whatsoever. Notwithstanding acceptance by the Company of any such documentary evidence by the Broker Clearing Member, the Broker Clearing Member shall remain responsible for the correctness and completeness of the Client UIN Registration Details provided to the Company.

The Broker Clearing Member shall be responsible for obtaining all necessary authorizations from his clients for the purposes of creating UINs in the UINs Database. The Company shall not be responsible for any unauthorized creation of UIN or for misuse of any UIN by the Broker Clearing Member. Each Broker Clearing Member shall indemnify and hold harmless the Company from and against any claims, losses, damages, costs and expenses suffered and/or incurred by the Company as a consequence of the creation and use of any UIN in the UINs Database.

9.7.3 The UIN Registration Details of Clients of every Broker Clearing Member mapped with CDS house, investor account and/or sub-accounts, as the case may be, wherever required by the Company in the UIN Registration Details, will be accessible by Pakistan Stock Exchange in NCSS as per the transmission mechanism described in the Procedures.

9.7.4 The Company will be provided access by the CDC to information of its CDS accounts of the Clearing Members and investor accounts for the purposes of mapping of Client Codes with the respective CDS house, investor account and/or sub-account details through UIN Registration Screen as per mechanism defined in the Procedures.

CDC shall ensure the completeness and correctness of the information of the CDS accounts so provided to the Company, for the aforementioned purposes.

9.7.4 The Company will be provided access by the CDC to information of its CDS accounts of the Clearing Members and investor accounts for the purposes of mapping of Client Codes with the respective CDS house, investor account and/or sub-account details through UIN Registration Screen as per mechanism defined in the Procedures.

CDC shall ensure the completeness and correctness of the information of the CDS accounts so provided to the Company, for the aforementioned purposes.

9.7.5 In case of a Securities Broker registered as an Authorized Intermediary with the CKO, where any notice is received by the Company from the CKO for blocking the UIN tagging of any of the Customers of a Broker Clearing Member in accordance with the provisions contained under the Centralized Know Your Customer (KYC) Organization Regulations, 2017 of the CKO, the Company shall immediately proceed to block the UIN tagging of the Customer identified in the notice by CKO with such Securities Broker and trading through such client code shall be restricted till further notice from the CKO. However, the pending transactions of such Customer will be allowed to be settled through respective Securities Broker in NCSS. Moreover, during the said restriction period, squaring-up of open positions in all Markets and in Leveraged Market shall be allowed. Selling of Securities held in the sub-account of the Customer maintained with such Broker Clearing Member will also be allowed.

The Company shall agree a mechanism with the CKO for imposing and removing such restrictions through notices in the manner and mode prescribed under the Procedures.

9.7.6 A Clearing Member's status as a Clearing Member shall not be affected if it has been restricted, suspended or terminated by CKO as an Authorized Intermediary. However, such Authorized Intermediary during the period of suspension shall be restricted to register any new client code in NCSS.

The action(s) taken by the Company under Regulation 9.7.6 shall be notified to the Stock Exchange, CDC, any other relevant authority and the Commission, and shall also be disseminated on the Company's website.