



National Clearing Company of Pakistan Limited
8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/FEBRUARY-21/07
February 22, 2021

NOTICE FOR ALL AUTHORIZED INTERMEDIARIES AND CLEARING MEMBERS

**Directive issued by the Securities and Exchange Commission of Pakistan “SECP”
Under Rule 14 of the Centralized Know Your Customer (KYC) Organization Rules,
2017**

Final Reminder

Dear Authorized Intermediaries (“AI”),

This is in continuation of NCCPL’s earlier circular no. NCCPL/CM/DECEMBER-20/06 dated December 04, 2020 wherein as per SECP Directive SMD/SE/2(20)/2020 dated December 03, 2020, AIs have been advised to complete either the biometric verification process or customer verification process for all such accounts opened till September 30, 2020 by **February 28, 2021**.

In order to facilitate AIs and their customers in terms of recent amendments made to Centralized Know Your Customer (KYC) Organization Regulations 2017 that allow customer verification to be performed in replacement of biometric verification process, NCCPL shall be sending an SMS on the registered/verified mobile numbers of all such accounts opened till September 30, 2020.

Detailed/step wise process for completing the Customer Verification in replacement of Biometric Verification is prescribed as follows:

1. This verification activity shall be performed for the resident Individual Pakistan Customers that had registered client code, during the aforementioned period, without performing biometric verification.
2. For this purpose, an SMS shall be sent on the registered/ verified mobile number of such investor to obtain his/her consent/acknowledgement for the trading account/KYC registration / UKN issuance requested through the respective AI.
3. Investor would be required to reply to such SMS with “A” which means acceptance for UKN issuance through the respective AI “consent” or “D” in case of decline, latest by **February 28, 2021**.

4. Where the investor replies with “A”, the CKO process for such investor shall be considered as completed.
5. Where the investor replies with “D”, trading/account restriction as per CKO regulations shall be imposed on the underlying trading account of such investor.
6. Where the investor response is not received within the stipulated timelines, trading/account restriction as per CKO Regulations shall be imposed on the underlying trading account of such investor.
7. Subsequent to trading/account restriction as mentioned in the point 5 and 6 above, customer trading/account can be re-activated upon written request submitted by Customer/ AI to NCCPL. Accordingly, an SMS shall be re-sent on the registered/verified mobile number of such investor. After receiving investor’s response with “A”, the CKO process of such investor shall be considered as completed and the restriction on trading account shall be removed.
8. After receiving response from customer as “A” or “D” or in case of no response, NCCPL shall auto-send intimation to customer via SMS regarding necessary action being taken by NCCPL as per CKO Regulation 2017.

All the AIs are once again advised to complete either the biometric verification process or abovementioned customer verification process of such accounts latest by **February 28, 2021**, failing which necessary restrictions shall be applied on such accounts in accordance with applicable CKO regulations.

All other requirements under CKO regulations shall remain applicable.

For any further queries or concerns, please feel free to contact the Customer Support Services of your respective locations.

Regards,

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Muhammad Asif
GM/Head of Operations

CC:

- 1. Executive Director/HOD - Policy, Regulation and Development Department – SMD**
- 1. Securities & Exchange Commission of Pakistan - Islamabad**
- 2. Chief Executive Officer - Pakistan Stock Exchange Limited**
- 3. Chief Executive Officer - Central Depository Company of Pakistan Limited**
- 4. Managing Director - Pakistan Mercantile Exchange Limited (For Circulation to all Authorized Intermediaries of PMEX)**
- 5. Pakistan Stock Brokers Association**