

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**

KSE/N-1115

**NOTICE**

February 26, 2010

Reproduced hereunder letter No. 2(192)/2008 dated February 26, 2010 received from **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN, (Securities Market Division)**, for information of members of the Exchange.

(Copy of the same is also available on our Website [www.kse.com.pk](http://www.kse.com.pk)).

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**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**  
(Securities Market Division)

2(192)/2008

February 26, 2010

Mr. Adnan Afridi  
Managing Director  
Karachi Stock Exchange (Guarantee) Limited  
Karachi

Mr. Samir Ahmed,  
Managing Director,  
National Commodity Exchange Limited,  
Karachi

Mian Shakerul Aslam  
Managing Director  
Lahore Stock Exchange (G) Limited  
Lahore

Mr. Imtiaz Haider  
Managing Director  
Islamabad Stock Exchange (G) Limited  
Islamabad

Subject: **Effective Know Your Customer Procedures**

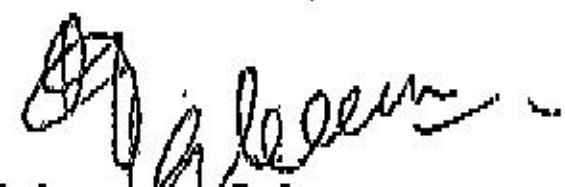
Dear Sirs,

As you are aware, effective Know Your Customer (KYC) policies and procedures form the backbone of a robust Anti-Money Laundering Regime; while simultaneously play a fundamental role in preventing malpractices and acting as a risk mitigation function in the capital markets in terms of customer identification. You would appreciate that KYC requirements assist in ensuring that account holders and their transactions are subject to proper identification, verification and documented validation.

One of the measures to assist in the accomplishment of above objectives is ensuring the physical presence of clients while opening of accounts with the brokers. The customer should present the original Computerized National Identity Card before opening the account. The procedure is already followed by the Central Depository Company of Pakistan Limited and majority of financial institutions in recognition to the international best practices and the potential benefits associated with the said practice.

The Exchanges are therefore advised to educate and encourage their members to adopt the policy of ensuring physical presence of their customers while opening any new trading account as a part of their KYC policies and procedures.

Yours truly,

  
Musarat Jabeen  
Director (SI)