



PAKISTAN STOCK BROKERS ASSOCIATION

(A company setup under section 42 of the Companies Act 2017)

Regd Office: Mezzanine Floor, Trading Hall, Stock Exchange Building, Stock Exchange Road,
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PSBA/Notice-037

June 21, 2021

NOTICE FOR MEMBERS

PROPOSED AMENDMENTS IN THE CDC REGULATIONS RELATING TO SHARED KYC INFORMATION

This refers to the notification no 05 of 2021 dated June 17, 2021, whereby, the Central Depository Company (CDC) has invited the comments on proposed amendments in the CDC Regulations relating to Shared KYC information.

In this regard, the members are requested to kindly submit the comments, if any, with the Association Office through email at psamail024@gmail.com latest by **June 23, 2021**, so that a consolidated response is submitted with the authorities for their consideration.

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BILAL FAROOQ ZARDI

Secretary General

Copy to:

1. All Members
2. PSBA Website



**Central Depository Company
of Pakistan Limited**

Head Office: CDC House, 99-B,
Block 'B', S.M.C.H.S.,
Main Shahr-e-Faisal,
Karachi-74400

Ref. No. CDC/C/N/05/2021

June 17, 2021

Notification No. 05 of 2021

Sub: Proposed amendments in the CDC Regulations relating to Shared KYC Information

To,
The General Public,

This is to bring to the notice of general public that CDC is proposing the draft amendments in the CDC Regulations relating to Shared KYC information in exercise of power conferred under Section 35 of the Central Depositories Act, 1997 (XIX of 1997) read with Section 51 of the Securities Act, 2015 (III of 2015).

In order to make the account opening process swift and easy, minimize duplication of work and increase customer base in capital market, Information of local customer available with bank is planned to be utilized while opening the Sub-Account/ Investor Account in the CDS as well as trading Account of that customer.

As required under Section 51(2) of the Securities Act, 2015 (III of 2015), such amendments are placed for public comments which may be sent, in the manner as suggest in the "Guidelines for Submission of Comments", within 7 days of this Notification i.e. by **Thursday, June 24, 2021**.

Regards,

Hammad Ali Faisal
Chief Compliance Officer

The Director/ HOD (PRDD-SMD)
Securities and Exchange Commission of Pakistan
Islamabad

The Chief Executive Officer
Pakistan Stock Exchange Limited
Karachi

The Chief Executive Officer
National Clearing Company of Pakistan Limited
Karachi

All CDS Elements

Comparative Statement - Amendments in the CDC Regulations relating to Shared KYC Information

S. #	Reg. #	Existing Regulations	Regulations Proposed by CDC	Rational
1.	2.11.1	Does not exist	<p><u>Shared KYC Information</u></p> <p><u>means the Registration Details and other information of the resident Pakistani electronically obtained or received by CDC or NCCPL in the database from the respective Bank, who are opening and maintaining bank account of that resident Pakistani, or obtained or received in any other manner prescribed in the Procedures, bearing such parameters and information as prescribed in the Procedures, for Transmitting it to the concerned Participant, CDC, Securities Exchange and/or Clearing House, as the case may be, for the establishment of Sub-Account, the Investor Account, Trading Account and/or creation of UIN/UKN, as the case may be.</u></p>	<p><i>This new definition has been inserted in support of obtaining of information from bank having a bank account of resident Pakistani for transmitting the information to relevant entities.</i></p>
2.	6.2.2	<p>A Sub-Account of a Sub-Account Holder shall be established by a Participant only on the basis of Sub-Account Opening Form duly signed by such Sub-Account Holder. No other form or document whatsoever shall be used by a Participant for the purpose of establishment of a Sub-Account in the CDS. Provided that where the Participant is an Authorized Intermediary, the Participant shall use the Customer Relationship Form and the KYC Application Form or, as the case may be, the Sahulat Account Opening Form as provided by the Sub-Account Holder either physically or through Online Portal (in the manner prescribed under the CKO Regulations, 2017 and/or the Procedures prescribed by CDC) in place of Sub-Account Opening Form for the purpose of opening of Sub-Account in the CDS.</p> <p>Provided further that in case of establishment of an MF Sub-Account in the CDS, the relevant margin</p>	<p>A Sub-Account of a Sub-Account Holder shall be established by a Participant only on the basis of Sub-Account Opening Form duly signed by such Sub-Account Holder. No other form or document whatsoever shall be used by a Participant for the purpose of establishment of a Sub-Account in the CDS. Provided that where the Participant is an Authorized Intermediary, the Participant shall use the Customer Relationship Form and the KYC Application Form or, as the case may be, the Sahulat Account Opening Form as provided by the Sub-Account Holder either physically or through Online Portal (in the manner prescribed under the CKO Regulations, 2017 and/or the Procedures prescribed by CDC) in place of Sub-Account Opening Form for the purpose of opening of Sub-Account in the CDS.</p> <p>Provided further that in case of establishment of an MF Sub-Account in the CDS, the relevant margin financing agreement (as referred to in the NCCPL</p>	<p><i>Incremental changes in light of new definition.</i></p>

Comparative Statement - Amendments in the CDC Regulations relating to Shared KYC Information

S. #	Reg. #	Existing Regulations	Regulations Proposed by CDC	Rational
		<p>financing agreement (as referred to in the NCCPL Regulations) pertaining to the Holder of such MF Sub-Account shall be used in place of Sub-Account Opening Form, the Customer Relationship Form or, as the case may be, Sahulat Account Opening Form and/or the KYC Application Form and the copy of such margin financing agreement shall be provided to CDC in accordance with the Procedures.</p> <p>Provided further that in case of establishment of an MSF Sub-Account in the CDS, the relevant Master Murabahah Agreement (as prescribed under the NCCPL Regulations) pertaining to the Holder of such MSF Sub-Account shall be used in place of Sub-Account Opening Form or, as the case may be, the Customer Relationship Form and/or the KYC Application Form.</p> <p>Provided further that in case of establishment of Sub-Account of Sub-Account Holder (who is NRP having NRVA), such Account will be established and maintained in such manner and subject to such terms and conditions as prescribed in the Procedures. For the purpose of establishment of Sub-Account, NRVA Information and any additional information as may be prescribed in the Procedures, shall be used in place of Sub-Account Opening Form, the Customer Relationship Form or, as the case may be, the Sahulat Account Opening Form and/or the KYC Application Form and the requirement of obtaining such forms will be dispensed with.</p> <p>Provided further that where a Sub-Account of NRP is established by the Participant in the CDS on the basis of NRVA Information of Sub-Account Holder</p>	<p>Regulations) pertaining to the Holder of such MF Sub-Account shall be used in place of Sub-Account Opening Form, the Customer Relationship Form or, as the case may be, Sahulat Account Opening Form and/or the KYC Application Form and the copy of such margin financing agreement shall be provided to CDC in accordance with the Procedures.</p> <p>Provided further that in case of establishment of an MSF Sub-Account in the CDS, the relevant Master Murabahah Agreement (as prescribed under the NCCPL Regulations) pertaining to the Holder of such MSF Sub-Account shall be used in place of Sub-Account Opening Form or, as the case may be, the Customer Relationship Form and/or the KYC Application Form.</p> <p>Provided further that in case of establishment of Sub-Account of Sub-Account Holder (who is NRP having NRVA) <u>on the basis of NRVA Information or Shared KYC Information</u>, such Account will be established and maintained in such manner and subject to such terms and conditions as prescribed in the Procedures. For the purpose of establishment of Sub-Account, NRVA Information, <u>Shared KYC Information</u> and any additional information as may be prescribed in the Procedures, shall be used in place of Sub-Account Opening Form, the Customer Relationship Form or, as the case may be, the Sahulat Account Opening Form and/or the KYC Application Form and the requirement of obtaining such forms will be dispensed with.</p> <p>Provided further that where a Sub-Account of NRP is established by the Participant in the CDS on the basis of NRVA Information <u>or Shared KYC Information</u> of Sub-Account Holder from the database and any</p>	

Comparative Statement - Amendments in the CDC Regulations relating to Shared KYC Information

S. #	Reg. #	Existing Regulations	Regulations Proposed by CDC	Rational
		<p>from the database and any additional information as may be prescribed in the Procedures, such information or any subsequent updations (if any) shall be deemed to have been entered with the authorization and consent of such Sub-Account Holder.</p> <p>Provided further that terms Sub-Account Opening Form, the Customer Relationship Form, the KYC Application Form or, as the case may be, the Sahulat Account Opening Form or Simplified Investor Account Opening Form referred under these Regulations, shall be read as NRVA Information and any additional information as may be prescribed in the Procedures for the purpose of NRP who are Sub-Account Holder and/or Investor-Accountholders.</p>	<p>additional information as may be prescribed in the Procedures, such information or any subsequent updations (if any) shall be deemed to have been entered with the authorization and consent of such Sub-Account Holder.</p> <p>Provided further that terms Sub-Account Opening Form, the Customer Relationship Form, the KYC Application Form or, as the case may be, the Sahulat Account Opening Form or Simplified Investor Account Opening Form referred under these Regulations, shall be read as NRVA Information <u>or Shared KYC Information</u> and any additional information as may be prescribed in the Procedures for the purpose of <u>Sub-Account or Investor Account NRP who are Sub-Account Holder and/or Investor-Accountholders.</u></p>	
3.	12A.3.1	<p>The Investor-Accountholder shall, in accordance with the Procedures, complete, sign and submit the Simplified Investor Account Opening Form, the Customer Relationship Form or, as the case may be, the Sahulat Account Opening Form and, where applicable, the KYC Application Form to CDC for opening of the Investor Account. The Simplified Investor Account Opening Form or the Customer Relationship Form or, as the case may be, the Sahulat Account Opening Form shall be accompanied with such documents as are listed therein. CDC shall have the right not to accept, without assigning any reasons whatsoever, any request for opening of the Investor Account.</p> <p>Provided further that in case of establishment of Investor Account of Investor-Accountholder (who is NRP having NRVA), such Account will be established and maintained in such manner and subject to such terms and conditions as prescribed</p>	<p>The Investor-Accountholder shall, in accordance with the Procedures, complete, sign and submit the Simplified Investor Account Opening Form, the Customer Relationship Form or, as the case may be, the Sahulat Account Opening Form and, where applicable, the KYC Application Form to CDC for opening of the Investor Account. The Simplified Investor Account Opening Form or the Customer Relationship Form or, as the case may be, the Sahulat Account Opening Form shall be accompanied with such documents as are listed therein. CDC shall have the right not to accept, without assigning any reasons whatsoever, any request for opening of the Investor Account.</p> <p>Provided further that in case of establishment of Investor Account of Investor-Accountholder (who is NRP having NRVA) <u>on the basis of NRVA Information or Shared KYC Information</u>, such Account will be established and maintained in such manner and</p>	<p><i>Incremental changes in light of new definition</i></p>

Comparative Statement - Amendments in the CDC Regulations relating to Shared KYC Information

S. #	Reg. #	Existing Regulations	Regulations Proposed by CDC	Rational
		<p>in the Procedures. For the purpose of establishment of Investor Account the NRVA Information and any additional information as may be prescribed in the Procedures, shall be used in place of Simplified Investor Account Opening Form, the Customer Relationship Form or, as the case may be, the Sahulat Account Opening Form and, where applicable, the KYC Application Form and the requirement of obtaining such forms will be dispensed with.</p> <p>Provided further that where an Investor Account of NRP is established by CDC in the CDS on the basis of NRVA Information of Investor-Accountholder from the database and additional information as may be prescribed in the Procedures, such information or any subsequent updations (if any) shall be deemed to have been entered with the authorization of such Investor-Accountholder.</p>	<p>subject to such terms and conditions as prescribed in the Procedures. For the purpose of establishment of Investor Account the NRVA Information <u>or Shared KYC Information</u> and any additional information as may be prescribed in the Procedures, shall be used in place of Simplified Investor Account Opening Form, the Customer Relationship Form or, as the case may be, the Sahulat Account Opening Form and, where applicable, the KYC Application Form and the requirement of obtaining such forms will be dispensed with.</p> <p>Provided further that where an Investor Account of NRP is established by CDC in the CDS on the basis of NRVA Information <u>or KYC Shared Information</u> of Investor-Accountholder from the database and additional information as may be prescribed in the Procedures, such information or any subsequent updations (if any) shall be deemed to have been entered with the authorization of such Investor-Accountholder.</p>	
4.	12A.6A.1	<p>An Investor-Accountholder may apply to the CDC for subscribing to the DSS by providing a duly filled and signed DSS Subscription Form, or as the case may be, for Investor-Accountholder who is NRP having NRVA or any other Investor-Accountholder through electronic instructions in the manner prescribed in the Procedures, along with fees and charges in accordance with the Schedule of Fees for Investor Accounts and other documents as prescribed by CDC.</p>	<p>An Investor-Accountholder may apply to the CDC for subscribing to the DSS by providing a duly filled and signed DSS Subscription Form, or as the case may be, for Investor-Accountholder <u>whose Investor Account established on the basis of NRVA Information or Shared KYC Information</u> who is NRP having NRVA or any other Investor-Accountholder through electronic instructions in the manner prescribed in the Procedures, along with fees and charges in accordance with the Schedule of Fees for Investor Accounts and other documents as prescribed by CDC.</p>	<p><i>Incremental changes in light of new definition</i></p>

Guidelines for Submission of Comments

1. CDC invites the interested parties to provide their comments and views, with specific reference to the subject matter of the proposed amendments to CDC Regulations notified via notices, through any of the following modes.

Email	comments@cdcpak.com
Mail	The Chief Compliance Officer, Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, Pakistan

2. At the time of submission of comments, respondent is advised to provide the information, as per **Table-A** below, so that CDC may contact him/her for clarification or deliberation on the comments, if needed. Anonymous responses may be disregarded by CDC.

Table A

To Be Filed By The Respondent	
Name of respondent	
Account No.	
Name of company (if applicable)	
Designation (if applicable)	
Contact Number	
Email Address	

3. The respondent may request confidential treatment for his/ her identity and all or any part of comments due to their proprietary, confidential or commercial nature, by clearly marking the information in **Table-B** below:

Table B

Disclosure of Identity and Comments

<p>Please check the box(es) if you wish to be remain confidential:</p> <p><input type="checkbox"/> I wish to have my identity remain confidential.</p> <p><input type="checkbox"/> I wish to keep all or any part of my comments confidential.</p>
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If respondent wishes to keep any part(s) of comments confidential, then he/she is required to clearly specify such part(s) of comments.

4. To ensure quality and promote transparency, CDC will publish the relevant comments of respondents and its management's response thereon in the form of a Response Paper on its website, within a reasonable timeframe, after close of public consultation session, unless the respondent has made a confidentiality request.
5. Any policy or rule amendment may be subject to regulatory concurrence. For this purpose, respondents should note that notwithstanding any confidentiality request, CDC will share all their response(s) with the Securities and Exchange Commission of Pakistan (Apex Regulator).
6. By submitting comments, respondents are deemed to have consented to the collection, use and disclosure of data that is provided to CDC, unless respondents wish to have their identity or comments remain confidential.