

# QUARTERLY News Letter

JULY-SEPTEMBER 2020

## PAKISTAN STOCK BROKERS ASSOCIATION

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OUR TEAM



**OFFICE BEARERS**

- 1. MR. AQEEL KARIM DHEDHI (CHAIRMAN)**
- 2. DR. YASIR MAHMOOD (SENIOR VICE-CHAIRMAN)**
- 3. MR. ZAHID LATIF KHAN (VICE-CHAIRMAN)**

**EXECUTIVE COMMITTEE**

- 1. CHUHADRY MUHAMMAD AFZAL**
- 2. MR. AZNEEM BILWANI**
- 3. MR. HAMAD NAZIR KEHAR**
- 4. MR. JAHANZEB MIRZA**
- 5. MR. MUHAMMAD ADIL GHAFAR**
- 6. MR. MUHAMMAD MUNIR KHANANI**
- 7. MR. NOMAN MAJEED ADAM**

**SECRETARIAT, OPERATIONS & EXECUTIVE**

- 1. MR. BILAL FAROOQ ZARDI (SECRETARY GENERAL)**



## 1. PSBA SECOND EXECUTIVE COMMITTEE MEETING

PSBA followed by the meeting announced that in accordance with the law applicable to the Trade Organizations, it has completed all the legal formalities to start the operations. The meeting accordingly declared the Association to be functional in its entirety.

The Association also discussed certain plans for the development of the capital market, and to promote the **Stock Brokerage Industry**, it was decided to actively involve the Association in enhancing the financial literacy and to promote ethical practices amongst the members.

It was also discussed that the Association should take **Corporate Social Responsibility** seriously and should be committed to the best practices to ensure that we address and monitor all aspects of **CSR** that are relevant.

## 2. COMPLIANCE OF NADRA VERISYS

PSBA took up the matter with the Securities and Exchange Commission of Pakistan to ensure the compliance of the Regulation, the National Clearing Company of Pakistan Ltd is performing the **NADRA VERISYS** of all the UINs/clients that have been registered with NCCPL. The request of the PSBA was to ask the NCCPL to share such reports with the respective brokers to avoid duplication of work. It will not only be providing ease of doing business but will also be saving the cost of approximately Rs. 12.5mn of the Stock Market investors if the data is shared.

SECP responded that the request of the Association cannot be acceded to considering the legal impediments. However, SECP is in the process of contemplating the matter to reach a mutually agreed and plausible solution.

Furthermore, the SECP has also requested NADRA for a short-time window facility for the financial institutions to undertake **VERISYS** without providing a Date of Issue in case of existing customers, where the CNIC has expired and the renewed one is not available with the financial institution. We are hoping the matter to be resolved shortly.

### **3. LUNCHEON HOSTED BY THE PAKISTAN STOCK EXCHANGE**

The luncheon was held by the Pakistan Stock Exchange to welcome the newly established and registered **Pakistan Stock Brokers Association**. The event also marked the fully operational status of PSBA.

The hosts and guests exchanged views on matters of mutual interests, including the **development of the Capital Market**, measures required to increase the investor base, and facilitate the investors and members.

The Association fully appreciated this gesture of the Exchange for having hosting this event where we had a chance to discuss matters of mutual interests and benefit for the stock market. Both the parties were confident that going forward, with each other's cooperation, we will see Pakistan Stock Exchange thriving for a better and enhanced experience for all market participants.

### **4. MEETING WITH COMMISSIONER ANTI MONEY LAUNDERING – SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN – MS. SADIA KHAN**

The delegation of PSBA held a meeting with Commissioner AML, in SECP Headquarters Islamabad to have an interaction and to discuss certain practical issues while implementing the required procedures and reporting requirements thereon.

The meeting emphasized to work with close coordination in order for the members to better understand, and to comply with the requirements in a smooth manner.

The Honorable Commissioner assured to extend its full support as and when required so that to ensure the effective implementation of policies and procedures to mitigate the ML/TF risk.

## **5. MEETING WITH COMMISSIONER SECURITIES MARKET DIVISION – SECURITIES MARKET DIVISION – MR SHAUZAIB ALI**

The representatives of PSBA held a meeting with Commissioner SMD – SECP to discuss some proposals for the development of the Capital Market and to request the measures for the ease of doing business.

The Honorable Commissioner was kind enough to listen to all the issues being faced by the broker fraternity and assured to do his best in order to resolve them. PSBA asserted that the Stock Market plays a vital role in the economy of the country.

The Commissioner assured the representatives that the reasonable measures will be observed, in order to promote ease of doing business. All the concerns and issues will be resolved in due course as they have already been discussed in multiple meetings held with the representatives of Capital Market.

## **6. MEETING WITH CHAIRMAN, NATIONAL ASSEMBLY'S STANDING COMMITTEE FOR LAW & JUSTICE**

The delegation of PSBA held a meeting with Chairman, National Assembly's Standing Committee for Law & Justice.

Both parties called for the strengthening of the implementation of the joint work program for the removal of impediments to business growth in Pakistan.

The interaction of both parties was to produce a combined effort for the regulatory reforms.

## **7. MEETING WITH BOARD OF INVESTMENT**

The delegation of PSBA had a courtesy meeting with the Board of Investment in continuation of the meeting called by the Ministry of Planning & Development.

## **8. MEETING WITH COMPETITION COMMISSION OF PAKISTAN**

PSBA held a meeting with the representatives of the Competition Commission of Pakistan to discuss certain provisions of the Competition Commission Act, 2010.

## **9. CENTRALIZED KYC ORGANIZATION REGIME**

The SECP followed by the process of reviewing the CKO Regulations, invited the comments of the Association to highlight the practical issues being faced by the members in the existing CKO model/procedural requirements which may affect the efficient onboarding of customers. Thereafter, the Association had a meeting with the representatives of SMD to convey the concerns of the members with regard to the following:

- i) Requirement of Biometric verification;
- ii) Obtaining Unique KYC Number for the existing customers;
- iii) Relationship with the cellular companies to efficiently implement the requirement of BIOSYS;

The SECP assured the Association to look into every aspect while reviewing the CKO Regulations in order to provide an ease to the implementation of the required measures.

In continuation of the meeting, the NCCPL also extended the timeline for the existing customers to obtain the UKN.

## **10. COLLECTION OF CAPITAL GAIN TAX**

After the rigorous follow-up with the NCCPL to adjust the losses with the Capital Gain on monthly basis instead of yearly, PSBA held numerous meetings with all the relevant authorities to seek clarification from the Federal Board of Revenue as required by NCCPL to proceed accordingly.

The clarification is yet to be issued by the FBR, enabling the NCCPL to adjust the allowed capital losses on monthly basis.

## **11. ZAKAT REPOSITORY SYSTEM**

On the special request of PSBA, the Central Depository Company of Pakistan Limited extended the timeline to update the records of Zakat Forms in the said system, considering the hurdles being faced by the Stock Brokers.

## **12. TRADING FEE (LAGA)**

Following the comments submitted by PSBA on the proposed increase in Trading Fee (LAGA) by the Stock Exchange, the representatives of PSBA were invited to have a meeting whereby we could explore further. A lot of discussion took place and it was decided that the management of PSX will bring up with another proposal on the following basis, and will have another meeting thereafter:

- i) To minimize the impact of the increase, the relaxation of discount allowed to any broker may be lifted;
- ii) Reduce the proposed rate in such a manner that the overall increase may not be over the actual increase after discount;
- iii) The portion of IPF may be excluded to further reduce the impact.

## **13. OFFERING OF TRIBUTE TO MEN WHO WERE MARTYRED & INJURED IN THE ATTACK ON THE EXCHANGE**

The PSBA, on the invitation, collaborated with the PSX to pay tribute to the men who were martyred and injured while defending the attack on the Stock Exchange. A plaque with the names of the martyrs was also unveiled at the Stock Exchange premises. Further, in gesture of appreciation and support, donation cheques were also presented to their families from the fund donated for the purpose.



### **Whom we represent:**

PSBA is a professional body representing the TREC Holders/Stock Brokers of Pakistan Stock Exchange who provides Equity Brokerage Services on an all-Pakistan basis.

# We Value

### **NEEDS OF OUR MEMBERS**



**Feedback & Suggestions:**  
Write us at: [secretariat@psba.pk](mailto:secretariat@psba.pk)

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