



PAKISTAN STOCK BROKERS ASSOCIATION

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

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Bilal Farooq Zardi
Secretary General

Ref: PSBA/S1020-03

October 29, 2020

MR. SHAUZAIB ALI
Commissioner SMD
Securities and Exchange Commission of Pakistan
Islamabad.

Subject: **TRANSFER OF FROZEN SECURITIES/INACTIVE-DORMANT ACCOUNTS**

Dear Sir,

This is with reference to the subject captioned above we would like to apprise you of the concerns of our members as below:

The members, while complying with the requirements of applicable rules and regulations with regard to the account opening and maintenance thereon, facing difficulties for the sub-accounts that are opened and unfortunately, clients are not in contact since a long time.

The issue to address is that the TREC Holders can not close the unreachable accounts due to the frozen scrips held in such accounts. The cost of continuation of accounts, AML reporting, matching of accounts with the Back Office data, and sending of quarterly reports are major cause of concern.

Apart from the accounts with frozen securities, TREC Holders are also stuck with shares of minimal value with the clients being either uninterested or just unreachable to respond to fulfill the TREC Holder's request for completion of documentation.

Hence, we request your good office to kindly take note of the same and introduce a mechanism for the above-said accounts so that the TREC Holders are alleviated from the responsibilities as mentioned above.

One suggestion that comes to mind is that the scrips held in such accounts may be allowed to be transferred with any such account, designated for the purpose either with Central Depository Company, proprietary account, or any other account/entity the regulator deems fit.

We are available if the matter requires any further discussion.

Regards,