



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,
Off I.I. Chundrigar Road, Karachi.

Tel: 021-32401278, E-mail: secretariat@psba.pk, Web: www.psba.pk, Fax: 021-32401279

Ref: PSBA/S0223-01

February 22, 2023

MR. AKIF SAEED

Chairman / Commissioner AML Department
Securities and Exchange Commission of Pakistan
Islamabad.

Subject: **PROHIBITION ON VERISYS (ONLINE VERIFICATION) WITHOUT CONSENT
OF ID CARD HOLDER THROUGH NADRA**

Dear Sir,

This is with reference to the subject captioned above, as you are aware that, as a necessity of KYC, AML & CFT, all brokers are required to perform Online Verification of photocopies of ID Documents produced by the following persons:

- i) Account Holder(s);
- ii) Nominee;
- iii) Authorized Person; and
- iv) UBO, if other than the Account Holder.

In the case of Legal Persons:

- v) Person Authorized by the BoD;
- vi) Directors;
- vii) Shareholders as UBOs;
- viii) Key Employees; and
- ix) Renewed ID Documents of all above.

- 2) NADRA Verification Department – NTL Islamabad vide letter No. NTL/Verification/102/Vol-V dated 07-02-2023(copy enclosed) has introduced a "Consent Management" system, under which an ID document of a customer cannot be verified unless the customer grants consent through an OTP (issued by NADRA) received on the Registered Mobile Number of the customer.
- 3) Newly introduced "Consent Management" System is likely to have a negative impact on the brokers' business, among others, on the following lines:
 - a) Verisys of ID documents would become cumbersome and time-consuming;
 - b) NADRA has allowed brokers to use its Verisys Facility on the recommendations of SECP;
 - c) All ID Card Holders have not registered their Cell Numbers with NADRA, for having no SIM in their names;
 - d) Verisys through the newly introduced "Consent Management" System would especially be difficult in cases of Nominees, Directors, Key Employees of legal persons, UBOs / Shareholders of a Company who do not come into contact in the normal course of business.
 - e) ID Documents of a person are public documents. The placement of so many restrictions on the verification of a photocopy should not be made so inconvenient;
 - f) In the name of their own satisfaction, NADRA & NCCPL are making the account opening process more & more onerous.



In light of the above, your good self is requested to take up the matter with NADRA to exempt the Regulated Persons of SECP from going through the hassle of a "Consent Management" System. In the alternate, the requirement of Verisys of ID Documents may be restricted to Account-Holder(s) only.

Looking forward to your favorable response.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Bilal Farooq Zardi", is written over a horizontal line.

BILAL FAROOQ ZARDI
Secretary General

Enclosure:

- Letter No. NTL/Verification/102/Vol-V dated 07-02-2023 of NADRA Verification Department, NTL Islamabad.
- Consent Management User Guide