



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/S0324-03

March 22, 2024

MR. ASIF IQBAL
HOD/Director (PRDD-SMD)
Securities and Exchange Commission of Pakistan
Islamabad.

Subject: **RELAXATION UNDER S.R.O. 920 (I)/2020 DATED SEPTEMBER 28, 2020**

Dear Sir,

This is in continuation to our meeting dated February 19, 2024, at the PSX Board Room, wherein, the SECP Officials including your good office were present to discuss and address observations relating to the AML/CFT/KYC regulatory framework.

During the meeting, we extensively discussed the compliance and reporting requirements including but not limited to S.R.O. 920 (I)/2020, dated September 28, 2020. Specifically, we would like to draw your attention to section D of the S.R.O., which requires that Regulated Entities submit compliance reports on Statutory Regulatory Orders issued by the Ministry of Foreign Affairs under the United Nations (Security Council) Act, 1948 or intimation from National Counter Terrorism Authority/Law Enforcement Agencies/Home Departments of Provinces/Ministry of Interior regarding updates in the list of proscribed person(s)/entity(ies) under the Anti-Terrorism Act, 1997, within forty-eight (48) hours of receiving the same in the manner as may be instructed from time to time by the Commission.

We would like to bring to your attention that since 2010, the same compliance has been duly reported by the Securities Brokers to the National Clearing Company of Pakistan Limited (NCCPL) on a fortnightly basis, after the screening/matching. This process is also mandatory under the earlier S.R.O.

Given the existing mechanism in place, which involves the regular reporting of pertinent data to NCCPL, we respectfully request that the requirement of section D of the above S.R.O be reconsidered as it imposes an additional burden being the same data is readily accessible through the existing reporting mechanism. In this regard, we propose that the SECP obtain the information directly from NCCPL as and when required. This approach would streamline the reporting process, minimize duplication of efforts, and facilitate centralized & standardized data collection, as opposed to collecting information from each of the 192 brokers individually.

We sincerely hope that the SECP will give due consideration to our request, recognizing its potential to enhance regulatory efficacy while alleviating administrative burdens & complexities.

We look forward to your favorable response.

Regards,