



National Clearing Company of Pakistan Limited
8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/FEBRUARY-20/03
February 7, 2020

NOTICE FOR ALL AUTHORIZED INTERMEDIARIES AND CLEARING MEMBERS

Registration of Existing Customers in Centralized Know Your Customer (CKO)
Regime

Dear Participants,

This is with reference to implementation of CKO regime for registration of new customers effective from June 17, 2019.

In this respect, in pursuance of provisions stipulated under clause 9.1 (x) of CKO Regulations 2017 and NCCPL Regulations clause 5.11, Authorized Intermediaries (AI) are required to register their existing Customers, in the KYC Database to obtain Unique KYC Number (UKN) and tagging of such UKNs with the relevant Authorized Intermediary within the time period notified by the CKO.

In view of above, all Authorized Intermediaries are hereby notified to register their existing Customers (i.e existing customers registered through NCSS UIN database before June 17, 2019) in the KYC Database and obtain UKN latest by **May 31 2020**. Further, Clearing Members still not yet admitted as AI shall be required to get them registered as AI and also required to register their customers in CKO by **May 31, 2020**.

For the purpose of facilitating the Authorized Intermediaries, step wise key elements of the existing Customer registration process under CKO have been briefly explained below;

1. AI shall be required to carry out Biometric Verification of the Customer (Applicable on individual customer only).
2. AI is required to submit online KYC form of the existing customer via KYC Information System. Moreover, hard copy of KYC Form as prescribed under Annexure II, III and IV of the CKO Regulations, 2017 in signed form shall be required for all Types of Customers.
3. In case of joint account holder(s), the AI shall be required to carry out Biometric Verification and proceed with KYC Application Form for each account holder separately.
4. After submission of KYC Application Form electronically in KIS, AI will be required to submit hard copy of original KYC Application Form and Supporting Documents to CKO within 5 working days as per existing practice. The supporting documents may also be submitted through the upload functionality made available in the KIS.
5. CKO will initiate necessary processing and complete its verification within 10 working days from the date of receipt of KYC Application Form along with all the required supporting documents.



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6. Upon such verification, CKO will approve KYC Application Form in KIS and Unique KYC Number (UKN) will automatically be generated for such Customer in KIS.
7. After issuance of UKN, CKO will obtain confirmation from corporate Customer, foreign individuals and foreign corporate Customers for the issuance of UKN within 15 working days in accordance with the Regulations.
8. In case of any discrepancy found in KYC form, AI will be required to remove it within 10 working days.
9. Customers registered with multiple AIs will be required to complete their KYC process with all AIs one by one. If their KYC process is not completed with the AI through whom the process was first initiated, such customers shall not be allowed to initiate their KYC process with the other AIs.

Please note that failure to comply the above mentioned clause within stipulated time shall lead to necessary action in accordance with clause 9.1 (v) of CKO Regulations, 2017 and clause 5.11 of NCCPL Regulations whereby UIN tagging of the Customer with such Authorized Intermediary/Clearing Member shall be blocked and trading through such client code shall be restricted. However, pending transactions of such customers will be settled through respective Securities Broker in NCSS. Moreover, squaring-up of open positions in all Markets including Leveraged Markets and selling of Securities held in the sub-account(s) will be allowed.

For complete details please refer clause 5.11 of NCCPL Regulations and clause 9.1 of CKO Regulations, 2017.

For any further queries or concerns, please feel free to contact the Customer Support Services of your respective locations.

Regards,

Sd

Muhammad Asif
Head of Operations

CC:

1. Executive Director/HOD - Policy, Regulation and Development Department - SMD
Securities & Exchange Commission of Pakistan - Islamabad
2. Chief Executive Officer - Pakistan Stock Exchange Limited
3. Chief Executive Officer - Central Depository Company of Pakistan Limited
4. Managing Director - Pakistan Mercantile Exchange Limited (For Circulation to all Authorized Intermediaries of PMEX)