

Broker Registration No: 266

HEAD OFFICE: Room No. 201, 2nd floor LSE Plaza, 19- Khyabane Aiwan -e- Iqbal Lahore. Phone: 042 36311458-59, Fax: 042 36280706

Office No. 1, Rehmanaia Town, Rehamia Road, Chenab Chowk Fiaslabad

## ACCOUNT OPENING FORM

NOTE 1: EACH AND EVERY COLUMN MUST BE FILLED IN  
 NOTE 2: EACH PAGE OF THIS FORM WILL BE DULY SIGNED BY THE ACCOUNT HOLDER(S) AND THE BROKER

<b>NATURE OF ACCOUNT:</b>			
SINGLE:	<input type="checkbox"/>	JOINT:	<input type="checkbox"/>
		CLIENT ID / ACCOUNT NO.	
COMPANY:	<input type="checkbox"/>	FIRM:	<input type="checkbox"/>
		CDC ACCOUNT NO.	

<u>ACCOUNT HOLDER</u>	<u>JOINT ACCOUNT HOLDER</u>
ACCOUNT TITLE/NAME: _____	ACCOUNT TITLE/NAME: _____
ADDRESS: _____	ADDRESS: _____
TEL: _____	TEL: _____
E-MAIL: _____	E-MAIL: _____
FAX NO: _____	FAX NO: _____
PERMANENT/REGISTERED ADDRESS: _____	PERMANENT ADDRESS: _____
<b><u>For individuals only:</u></b>	
DATE OF BIRTH: _____	DATE OF BIRTH: _____
NATIONALITY: _____	NATIONALITY: _____
STATUS: _____ RESIDENT _____ NON-RESIDENT	STATUS: _____ RESIDENT _____ NON-RESIDENT
GENDER: _____ MALE _____ FEMALE	GENDER: _____ MALE _____ FEMALE
FATHER'S/HUSBAND'S NAME: _____	FATHER'S/HUSBAND'S NAME: _____
NATIONAL IDENTITY CARD NO. (IN CASE OF NON RESIDENT PASSPORT NO.) _____	NATIONAL IDENTITY CARD NO. (IN CASE OF NON RESIDENT PASSPORT NO.) _____
OCCUPATION: _____	OCCUPATION: _____
<b><u>For Companies or Firms only:</u></b>	
Company Registration No. _____	
STATUS: _____ RESIDENT _____ NON-RESIDENT	

### Declaration of Solvency

The Account Holder hereby declares that:

- It has not applied to be adjudicated as an insolvent and that it has not suspended payment and that we have not compounded with our creditors;
- It is not un-discharged insolvent; and
- It has not been declared defaulter in repayment of loan of a bank/financial institutions.

**Name of Authorized Persons to operate the account**

The account shall be operated by the following:

	<b><u>Names</u></b>	<b><u>Specimen Signature</u></b>	<b><u>Singly/Jointly</u></b>
(a)	_____	_____	_____
(b)	_____	_____	_____
(c)	_____	_____	_____

The authority of the person(s) authorized to operate the account will be clearly spelled out in the letter of authorization from the Account Holder.

**MARGIN DEPOSIT**

The Account Holder(s) hereby undertakes to deposit and maintain \_\_\_\_ % margin against his/her/their outstanding trades/exposure for the purpose of trading in his/her/their account. The broker shall notify the Account Holder(s) about any change in the above margin requirements for the already executed trades at least 3 days prior to the implementation of the revised margin requirements.

**CLIENT BANK DETAILS (OPTIONAL):**

**ACCOUNT(S) WITH OTHER BROKER(S) (OPTIONAL)**

NAME OF THE BANK: \_\_\_\_\_  
 SAVINGS/CURRENT A/C NO.: \_\_\_\_\_  
 BRANCH ADDRESS: \_\_\_\_\_

NAME OF THE BROKER(S)	MEMBER EXCHANGE	CLIENT ID/ACCOUNT

**NOMINATION:**

*(In the event of death of the Account Holder, the nominee shall be entitled to receive securities / cash available in the account of the account holder after set-off against losses/liabilities in the account.)*

Name of Nominee: \_\_\_\_\_ Surname: \_\_\_\_\_  
 NIC Number: \_\_\_\_\_  
 Date of Birth: \_\_\_\_\_ (DD/MM/YYYY)  
 Postal Address: \_\_\_\_\_  
 Tel: \_\_\_\_\_ E-mail: \_\_\_\_\_

**SPECIAL TERMS AND CONDITIONS**

The terms and conditions set herein below shall be equally binding on the Broker and the Account Holder(s).

- All transactions between the parties shall be subject to the Articles, Rules and Regulations of the Exchange, revised policies, Board Directions and new regulations to be framed in pursuance of Section 34 of the Securities & Exchange Ordinance, 1969. Moreover, all applicable provisions of the Securities & Exchange Ordinance, 1969 read with the Securities & Exchange Commission of Pakistan Act, 1997, Brokers and Agents Registration Rules, 2001, Securities and Exchange Rules 1971 and all directions/directives passed from time to time to regulate the trades between the parties and to regulate Brokers conduct and the Central Depository Companies of Pakistan Act, 1997, Rules framed there under and the National Clearing and Settlement System Regulations and any other law for the time being in force. The Broker shall ensure provisions of copies of all the above Laws, Rules and Regulations at his office for access to the Account Holder(s) during working hours.
- (a). In case any dispute in connection with the trade or transaction between the Broker and the Account Holder is not settled amicably, either party may refer the same to arbitration in accordance with the provisions of General Regulations of the Exchange, which shall be binding on both the parties. The Account Holder hereby agrees that he would have no objection

if his name and other relevant particulars are placed on Exchange's database accessible by members of the Exchange if he fails or refuses to abide by or carryout any arbitration award passed against him in his dispute with the Broker.

2. The amount deposited as security margin by the Account Holder(s) with the Broker shall only be used for the purposes of dealing in securities, such as trading and/or settlement of deliveries of securities on behalf of the Account Holder(s). The Broker shall not use such amounts for his own use.
- 2(a). The credit amount of the Account Holder(s) shall be kept by the broker in a separate bank account titled "Account Holder / Client Account" and shall not be used by the broker for his own business.
3. The Broker shall be authorized to act on the verbal instructions of the Account Holder(s). The Broker shall provide a written confirmation of the executed transactions as required under rule 4(4) of the Securities & Exchange Rules, 1971, and all such transactions recorded by the Broker in his books shall be conclusive and binding upon the Account Holder(s), which shall not be questioned by him/her/them, subject to clause 5 below.

Or

The Account Holder(s) shall give written instructions for the sale/purchase of securities to the Broker. The Account Holder(s) shall not give any verbal/oral instructions. The Broker shall provide a written confirmation of the executed transactions as required under rule 4(4) of the Securities & Exchange Rules, 1971, and all such transactions recorded by the Broker in his books shall be conclusive and binding upon the Account Holder(s), which shall not be questioned by him/her/them, subject to clause 5 below.

4. The Broker shall provide the confirmation of the executed transactions to the \_\_\_\_\_ (Name of Account Holder) at the above stated address by means of acceptable mode of communication or by hand subject to acknowledgment receipt as noted in clause 16.
5. In case there are any error(s) in the daily confirmation statement, the Account Holder(s) shall report the same to the Broker within one-business day of the receipt of confirmation. In case the Account Holder(s) do not respond within one business day of the receipt of the said daily confirmation statement, the confirmation statement shall be deemed conclusively accepted by the Account Holder(s).
6. In the event that the Account Holder(s) fail(s) to deposit additional cash or securities as margin within one business day of the margin call (in writing), the Broker shall have absolute discretion to and, without further notice to Account Holder(s), liquidate the Account Holder(s) outstanding positions, including the securities purchased and carried in such account, so that the margin is maintained at the required level.
- 7 (a) The Broker shall be responsible to ensure delivery of CDC eligible securities in the CDC account of the Account Holder(s) subject to full payment by the Account Holder(s). In case of companies which are not on the CDS, the Broker shall ensure delivery of physical shares along with verified transfer deeds against payments, to the Account Holder(s). Further, the Broker shall be responsible for the payment of any credit cash balance available in the account of the Account Holder preferably in form of A/c Payee cross cheque only within 1 business day of the request of the Account Holder(s) (subject to the maintenance of the margin requirements).
- (b) In the event of non-receipt of payment from the Account Holder on settlement day against securities bought on account of the Account Holder, the Broker may transfer such securities to his Collateral Account under intimation to the Exchange, after complying with the requirements as mentioned in the General Regulations of the Exchange.
8. The Broker shall accept from the Account Holder(s) payments through "A/c Payee Only" crossed cheque, bank drafts, pay orders or other crossed banking instruments in case of amounts in excess of Rs. 25,000/-. Electronic transfer of funds to the Broker through banks would be regarded as good as cheque. The Broker shall be responsible to provide the receipt to the Account Holder(s) in the name of the Account Holder(s) duly signed by authorized agents/employee of the Broker and the Account Holder(s) shall be responsible to obtain the receipt thereof. In case of cash dealings, proper receipt will be taken and given to the Account Holder(s), specifically mentioning if payment is for margin or the purchase of securities. The broker shall immediately deposit in its bank account all cash received in whole i.e. no payments shall be made from the cash received from clients. However, in exceptional circumstances, where it becomes necessary for Broker to accept cash in excess of Rs. 25,000/-, the Broker shall immediately report within one business day such instances with rationale thereof to the Exchange in accordance with the mechanism prescribed by the Exchange.

9. The members shall make all the payments of Rs. 25,000/- and above, through crossed cheques / bank drafts / pay orders or any other crossed banking instruments showing payment of amount from their business bank account. Copies of these payment instruments including cheques, pay orders, demand drafts and online instructions shall be kept in record for a minimum period of five years.
10. The Account Holder(s) shall have a right to obtain a copy of his/her or their ledger statement under official seal and signature of the Broker or his authorized representative on a periodic basis. In case of any discrepancy in the ledger statement, the Account Holder(s) shall inform the Broker within 1 day of receipt of the ledger statement to remove such discrepancy.
11. The Account Holder(s) shall operate the account and execute transactions himself/herself/themselves unless the Account Holder(s) authorize Mr./Ms./ \_\_\_\_\_ I. D. No. \_\_\_\_\_ to transact in the account. All transactions executed by the authorized person shall be binding upon the Account Holder(s).
12. **For Joint Account Holder(s) only:**  
We, the Account Holders shall operate the account jointly or severally and the instructions issued either jointly or severally shall be binding on us as well as upon the broker in respect of the joint titled account.  
Or  
Our titled account shall be operated only by \_\_\_\_\_ who shall be deemed as the authorized person for operating the joint account or issuing any instructions relating thereto.
13. The Broker shall be responsible to append a list of his authorized agents/traders and designated employees, who can deal with the Account Holder(s), with this account opening form and a copy of both the opening form and the list will be provided to the Account Holder(s). Any change therein shall be intimated in writing to the Account Holder(s) with immediate effect.
14. The Broker shall debit the account of the Account Holder(s) for the commission charges or any other charges in connection with the brokerage services rendered, which shall be clearly detailed in the ledger statement/daily confirmations.
15. The Broker shall not disclose the information of the transactions of the Account Holders to any third party and shall maintain the confidentiality of this information. However, in case the Exchange or the Commission, as the case may be, requires any such information, the Broker shall be obliged to disclose the same for which the Account Holder(s) shall not raise any objection whatsoever.
16. In case a Broker converts his individual membership rights to corporate membership and vice versa the agreement and conditions laid down herein above shall remain effective unless otherwise agreed by the parties.
17. Acceptable mode of communication between the Account Holder(s) and the Broker shall be through letter (courier/registered post/fax/E-mail) or by hand subject to receipt/acknowledgment. The onus of proving that the e-mail has been received by the recipient shall be on the sender sending the e-mail. Confirmation of orders to clients made through fax or e-mail will have a time record.
18. All orders received telephonically and placed on KATS shall be supported by recording on dedicated telephonic lines, preferably connected with a computerized taping system so as the orders could possibly be sorted on UIN basis and made user friendly.
19. In case of change of address or contact numbers of either party, the concerned party shall immediately notify the other party of the changes in writing.
20. I/We, the Account Holder(s) acknowledge receipt of this account opening form (signed here by me/us in duplicate) along with the copies of all the annexures and I/we, the Account Holder(s) also undertake that I/we have understood all the above terms and conditions of this agreement which are acceptable to me/us.
21. I/We, the Account Holder(s) understand that the shares trading business carries risk and subject to the due diligence on part of the broker I/we may incur losses for which I/we, the Account Holder(s) shall not hold the Broker responsible.
22. I/We, the Account Holder(s) further confirm that all information given in this application is true and complete and hereby authorize the Broker to verify any information mentioned above.

\_\_\_\_\_  
Signature of Broker

\_\_\_\_\_  
Signature of Account Holder

\_\_\_\_\_  
Signature of Joint Account Holder

**WITNESSES:** 1. \_\_\_\_\_ (I. D. Card No. \_\_\_\_\_ )

2. \_\_\_\_\_ (I. D. Card No. \_\_\_\_\_ )

Opened by: \_\_\_\_\_ Checked by: \_\_\_\_\_

Date: \_\_\_\_\_

**Enclosures (for individuals):**

1. Attested copies of National Identity Card of the applicant.
2. Attested copies of National Identity Card of the Joint Holders and or Nominee(s) (if applicable)
3. Attested copies of passports of the applicant, Joint Holders and or Nominee(s) (in case of non-residents)
4. Copy of the letter of authorization from the Account Holder(s) of the person authorized to trade in my/our accounts (if other than the account holder).
5. A list of Transaction fee, Commission to be charged by the Broker and other CDC charges to be levied.

**Enclosures (for corporate entities):**

1. Certified true copy of Board Resolution (specimen provided as per Annexure 'A').
2. Certified true copies of Memorandum & Articles of Association.
3. List of authorized signatories.
4. List of nominated persons allowed to place orders.

**Annexure -'A'**

**Board Resolution**

**"RESOLVED** that an application be made on behalf of \_\_\_\_\_ (name of entity) to \_\_\_\_\_ ("broker") for opening an Account and for the afore-said purpose the Account Opening Form including Terms and Conditions as set out herein be executed on behalf of \_\_\_\_\_ (name of entity).

**FURTHER RESOLVED** that Mr./Ms. \_\_\_\_\_ and Mr./Ms. \_\_\_\_\_ be and are hereby authorized and empowered, either singly/jointly for and on behalf of \_\_\_\_\_ (name of entity) to sign and execute and deliver this Account Opening Form and Terms & Conditions and other documents in connection therewith, and to do any other act, deed or thing for and on behalf of \_\_\_\_\_ (name of entity) in respect of company's application for opening an Account.

**FURTHER RESOLVED** that Mr./Ms. \_\_\_\_\_ and Mr./Ms. \_\_\_\_\_ be and are hereby authorized and empowered, either singly/jointly to represent to the broker on all matters pertaining to the maintenance and operation of the Account, to deal, liase and correspond with broker and give instructions to fulfill all the responsibilities and obligations to broker under the Law, Rules and Regulations and the Terms and Conditions in relation to the Account from time to time, and to deal with other incidental and ancillary acts, things and deeds".

Signatures of the Directors

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

Date of Resolution: \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_

# LETTER OF AUTHORITY

**To,**

**M/S SHAFFI SECURITIES (PVT) LIMITED**

Room# No 201, 2<sup>ND</sup> Floor, Lahore Stock Exchange Building  
19-Khyabane-Aiwan-e-Iqbal, Lahore-54000, Pakistan.

**Dear Sir,**

I, Mr. /Mrs. /MISS: \_\_\_\_\_ S/D/W/O: \_\_\_\_\_

CNIC No: \_\_\_\_\_ having Trading Account No: \_\_\_\_\_

And CDC sub Account No: \_\_\_\_\_ with **M/S SHAFFI SECURITIES (PVT) LIMITED** do hereby ,make, constitute and appoint.

Mr. /Mrs. /MISS: \_\_\_\_\_ S/D/W/O: \_\_\_\_\_

CNIC No: \_\_\_\_\_ R/O \_\_\_\_\_

- 1) My attorney in my name and on my behalf to execute or do all or any of the acts or thing herein after mentioned.
- 2) To place orders for purchase/sale of shares of various companies at various rate.
- 3) To sign confirmation statement of various trades carried out on my behalf during the period.
- 3) To issue written instructions to you, for receipt/transfer of shares (through normal trade into/out my C.D.C sub Account)
- 4) To receive crossed A/c payee cheques in my name and make payments on my behalf.
- 5) To receive original/copies of Bills, Proceeds and Difference Bill and copies of Account Statements on my behalf.

You will be fully indemnified, for all acts and omissions done, on behalf of my authorized person whose instructions shall be deemed as my instructions.

Your sincerely,

Client Name: \_\_\_\_\_ Client Signature: \_\_\_\_\_

Address: \_\_\_\_\_

**Dated:** \_\_\_\_\_

**1.Witness:**

Name: \_\_\_\_\_

CNIC#: \_\_\_\_\_

**2.Witness:**

Name: \_\_\_\_\_

CNIC#: \_\_\_\_\_

**A/C No:**

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\_\_\_\_\_  
Account Holder

\_\_\_\_\_  
Joint Account Holder

\_\_\_\_\_  
For M/S Shaffi Securities (Private) Limited

For official use of the Participant only	
Application Form No:	
CDS Participant ID:	
Sub-Account No:	
Trading Account No: <i>(if applicable)</i>	

## SUB-ACCOUNT OPENING FORM FOR INDIVIDUALS

**(Sub-Accounts are opened and maintained by Participants in accordance with the CDC Regulations made pursuant to Section 4 of the Central Depositories Act, 1997)**

Nature of Account	Single	<input type="checkbox"/>	Joint	<input type="checkbox"/>
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*(Please use BLOCK LETTERS to fill the form)*

I We hereby apply for opening of my/our Sub-Account under the Account Family of [SHAFFI SECURITIES (PVT) LIMITED] (hereinafter referred to as "Participant") maintained in the Central Depository System ("CDS") of the Central Depository Company of Pakistan Limited ("CDC"). My/our particulars are given as under:

A. REGISTRATION (AND OTHER) DETAILS OF MAIN APPLICANT												
<b>1. Full name of Applicant (As per CNIC / NICOP / Passport) MR. / MRS. / MS.</b>												
<b>2. Father's / Husband's Name:</b>												
<b>3. Contact Details of Main Applicant:</b>												
(a) Permanent Address: <i>(Address should be different from Participant's business address)</i>												
(b) Mailing Address:												
(c) Contact No: Land Line No.:				(d) Fax: (optional)				(e) Email: (*)				
Local Mobile No. (*)												
<b>4. Computerized National Identity Card No:</b> <i>(For resident Pakistani)</i>												
- - - - -												
<b>5. Expiry date of CNIC:</b>												
<b>6. NICOP No:</b> <i>(For non-resident Pakistani)</i>												
- - - - -												
<b>7. Expiry date of NICOP:</b>												
<b>8. Passport details:</b> <i>(For a foreigner or a Pakistani origin)</i>				Passport Number:				Place of Issue:				
				Date of Issue:				Date of Expiry:				
<b>9. Details of Contact Person:</b> <i>[Note: Contact Person shall not be the person other than the Main Applicant, any one of the Joint Applicant or their Attorney. Where Contact Person is the Main Applicant or any of the Joint Applicant, please only provide the name below. In case of Attorney, please provide details in (a) to (h) below]</i>												
(a) Name: MR. / MRS. / MS.												
(b) Relationship/ association of the Attorney with the Main Applicant:												
(c) Address:												
<b>(d) Computerized National Identity Card No:</b>												
- - - - -												
(e) Expiry date of CNIC:												
(f) Contact No: Land Line No.:				(g) Fax: (optional)				(h) Email: (*)				
<b>10. Share holder's Category: INDIVIDUAL.</b>												
<b>11. (a) Occupation:</b> <i>[Please tick ( ) the appropriate box]</i>		AGRICULTURIST			BUSINESS			HOUSEWIFE			HOUSEHOLD	
		RETIRED PERSON			STUDENT			BUSINESS EXEC.			INDUSTRIALIST	
		PROFESSIONAL			SERVICE			OTHERS (specify)				
(b) Name of Employer / Business:							(c) Job Title Designation:					
(d) Address of Employer / Business:												

\* At least one field must be mandatorily filled.

Signatures:

Main Applicant

Joint Applicant 1

Joint Applicant 2

Joint Applicant 3

Participant

\_\_\_\_\_

B. REGISTRATION (AND OTHER) DETAILS OF THE JOINT APPLICANT(S)														
PERSONAL INFORMATION – JOINT APPLICANT NO. 1														
1. Full name of Applicant (As per CNIC / NICOP / Passport) MR. / MRS. / MS.														
2. Father's / Husband's Name:														
3. Permanent Address: <i>(Address should be different from Participant's business address)</i>														
4. (a) Contact No: Land Line No.				Local Mobile No.				(b) Fax: (optional)				(c) Email:		
5. Computerized National Identity Card No: <i>(For resident Pakistani)</i>									-					
6. Expiry date of CNIC:														
7. NICOP No: <i>(For non-resident Pakistani)</i>									-					
8. Expiry date of NICOP:														
9. Passport details: <i>(For a Foreigner or a Pakistani origin)</i>						Passport Number:				Place of Issue:				
						Date of Issue:				Date of Expiry:				
10. (a) Occupation: <i>[Please tick ( ) the appropriate box]</i>		AGRICULTURIST		BUSINESS		HOUSEWIFE		HOUSEHOLD						
		RETIRED PERSON		STUDENT		BUSINESS EXHC.		INDUSTRIALIST						
		PROFESSIONAL		SERVICE		OTHERS (specify)								
(b) Name of Employer / Business:						(c) Job Title / Designation:								
(d) Address of Employer Business:														
PERSONAL INFORMATION – JOINT APPLICANT NO. 2														
1. Full name of Applicant (As per CNIC / NICOP / Passport) MR. / MRS. / MS.														
2. Father's / Husband's Name:														
3. Permanent Address: <i>(Address should be different from Participant's business address)</i>														
4. (a) Contact No: Land Line No.				Local Mobile No.				(b) Fax: (optional)				(c) Email:		
5. Computerized National Identity Card No: <i>(For resident Pakistani)</i>									-					
6. Expiry date of CNIC:														
7. NICOP No: <i>(For non-resident Pakistani)</i>									-					
8. Expiry date of NICOP:														
9. Passport details: <i>(For a Foreigner or a Pakistani origin)</i>						Passport Number:				Place of Issue:				
						Date of Issue:				Date of Expiry:				
10. (a) Occupation: <i>[Please tick ( ) the appropriate box]</i>		AGRICULTURIST		BUSINESS		HOUSEWIFE		HOUSEHOLD						
		RETIRED PERSON		STUDENT		BUSINESS EXHC.		INDUSTRIALIST						
		PROFESSIONAL		SERVICE		OTHERS (specify)								
(b) Name of Employer / Business:						(c) Job Title / Designation:								
(d) Address of Employer Business:														
PERSONAL INFORMATION – JOINT APPLICANT NO. 3														
1. Full name of Applicant (As per CNIC / NICOP / Passport) MR. / MRS. / MS.														
2. Father's / Husband's Name:														
3. Permanent Address: <i>(Address should be different from Participant's business address)</i>														
4. (a) Contact No: Land Line No.				Local Mobile No.				(b) Fax: (optional)				(c) Email:		
5. Computerized National Identity Card No: <i>(For resident Pakistani)</i>									-					
6. Expiry date of CNIC:														
7. NICOP No: <i>(For non-resident Pakistani)</i>									-					
8. Expiry date of NICOP:														
9. Passport details: <i>(For a Foreigner or a Pakistani origin)</i>						Passport Number:				Place of Issue:				
						Date of Issue:				Date of Expiry:				
10. (a) Occupation: <i>[Please tick ( ) the appropriate box]</i>		AGRICULTURIST		BUSINESS		HOUSEWIFE		HOUSEHOLD						
		RETIRED PERSON		STUDENT		BUSINESS EXHC.		INDUSTRIALIST						
		PROFESSIONAL		SERVICE		OTHERS (specify)								
(b) Name of Employer / Business:						(c) Job Title / Designation:								
(d) Address of Employer Business:														

Signatures:

Main Applicant

Joint Applicant 1

Joint Applicant 2

Joint Applicant 3

Participant

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



C. OTHER INFORMATION											
1. Dividend Mandate [Please tick ( ) the appropriate box]				<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	If yes, please provide following details:			
(a) Account Title:						(b) Account No:					
(c) Name of Bank:						(d) Branch:					
(e) Address:											
2. National Tax No: (Optional)											
3. Nationality:											
4. Residential Status [Please tick ( ) the appropriate box]				Resident	Non-Resident	Repatriable	Non-Repatriable				
Pakistani				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Pakistani Origin				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Foreign National				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5. If you are maintaining any Special Convertible Rupee Account ("SCRA"), please provide details in (a) to (c):						(a) SCRA Account No:					
						(b) Bank Name:					
						(c) Branch Details:					
6. Zakat Status:						Please tick ( ) the appropriate box					
						<input type="checkbox"/>	Muslim Zakat payable				
						<input type="checkbox"/>	Muslim Zakat non-payable				
						<input type="checkbox"/>	Non-Muslim				
						<input type="checkbox"/>	Not Applicable				
(If, according to the Fiqh of the Applicant(s), Zakat deduction is not applicable, then relevant Declaration on prescribed format shall be submitted with the concerned Issuer and the Participant)											
7. Particulars of nominee (Optional but if desired, nomination should only be made in case of sole individual and not joint account)						(a) Name of Nominee:					
						(b) Father's/Husband's Name:					
						<input type="checkbox"/>	Spouse	<input type="checkbox"/>	Father	<input type="checkbox"/>	Mother
						<input type="checkbox"/>	Brother	<input type="checkbox"/>	Sister	<input type="checkbox"/>	Son*
						<input type="checkbox"/>	Daughter*	* Including step or adopted child			
						(d) Address:					
						(e) CNIC No: (In case of a resident Pakistani)					
						(f) Expiry date of CNIC:					
						(g) NICOP No: (In case of a non-resident Pakistani)					
						(h) Expiry date of NICOP:					
						(i) Passport details: (In case of a foreigner or a Pakistani origin)					
						Passport Number:					
						Place of Issue:					
						Date of Issue:					
						Date of Expiry:					
						(j) Contact No:					
						(k) Fax: (optional)					
						(l) E-mail: (optional)					
D. CDC SMS / IVR / WEB SERVICES ("CDC access")											
CDC provides <b>FREE OF COST</b> services under CDC access whereby sub-account holders can have real time access to their account related information.											
1(a). SMS or eAlert/eStatement is a mandatory service, where alerts are sent whenever certain activities take place in a sub-account. eStatement is a service where your account balance statement will be electronically transmitted to your email address. Please subscribe to either SMS or eAlert/eStatement service as a mandatory requirement. You can also subscribe to both the services.											
Short Messaging Service (SMS)				Mobile No. ( )				of Contact Person as provided in Part A or Part B of this Form, as the case may be.			
eAlert / eStatement Service				Email Address ( )							
1(b). If you have subscribed for eStatement, please specify the frequency of eStatement: [Please tick ( ) the appropriate box]				Monthly	<input type="checkbox"/>	Quarterly	<input type="checkbox"/>				
2. Do you wish to subscribe to free of cost IVR Service? [Please tick ( ) the appropriate box]				<input type="checkbox"/>	Yes	<input type="checkbox"/>	No				
3. Do you wish to subscribe to free of cost Web Service? [Please tick ( ) the appropriate box]				<input type="checkbox"/>	Yes	<input type="checkbox"/>	No				
4. If you are subscribing to IVR and/or Web Service, please provide following details of your Contact Person:											
(a) Date of Birth (DD / MM / YYYY)					/		/				
(b) Mother's Maiden Name:						(c) Email Address (of Contact Person as provided in Part A or Part B of this Form, as the case may be):					

Signatures:

Main Applicant

Joint Applicant 1

Joint Applicant 2

Joint Applicant 3

Participant

E. SUB-ACCOUNT OPERATING INSTRUCTIONS										
1. Signatory(ies) to give instruction to the Participant pertaining to the operations of the Sub-Account.  <i>(Please specify sub- account operating instructions in the relevant column along with names and specimen signatures of authorised signatories)</i>	Names of Signatory(ies)					Specimen Signatures				
	(a)									
	(b)									
	(c)									
	(d)									
2. Sub-Account Operating Instructions: [Please ( ) appropriate box]	<input type="checkbox"/>	Either (Singly) or Survivor				<input type="checkbox"/>	Attorney			
	<input type="checkbox"/>	Jointly  any  _____				<input type="checkbox"/>	Any other			
						Please specify:				
F. BANK VERIFICATION										
The following information is required to be verified by the Bank Manager only where the Main Applicant is maintaining bank account:										
Particulars of Main Applicant:										
Bank Account Title:	CNIC No:					-				
Bank Account No:										
Address of Applicant:										
Signature of Applicant:										
We do hereby verify the above particulars and signature of our above account holder:										
Particulars of Bank Manager / Authorized Officer:										
Name:					Contact No(s):					
E-mail:					Signature & Rubber Stamp:					
G. AUTHORIZATION UNDER SECTIONS 12 AND 24 OF THE CDC ACT EXCLUSIVELY FOR SETTLEMENT OF UNDERLYING TRADES INCLUDING PLEDGE AND RECOVERY OF CHARGES AND LOSSES										
<p>I we the undersigned, hereby give my/our express authority to the Participant under Section 12 and Section 24 of the Central Depositories Act, 1997 to handle Book-entry Securities beneficially owned by me/us and entered in my/our Sub-Account maintained with the Participant for securities transactions that are exclusively meant for the following purposes:</p> <ol style="list-style-type: none"> <li>For the settlement of any underlying market transactions (trades) including off market transactions made by me/us from time to time;</li> <li>For pledge securities transactions with any Stock Exchange or a Clearing Company relating to any of my our underlying market transactions (trades) to be settled through the Clearing Company from time to time;</li> <li>For, where applicable, pledging of my/our securities only with a Stock Exchange in accordance with the requirements of regulations of such Stock Exchange for meeting any shortfall in the margin and/or mark-to-market losses requirements of the Participant and/or other Sub-Account Holders of the Participant;</li> <li>For the recovery of payment against any underlying market purchase transactions made by me us from time to time;</li> <li>Movement by me/us from time to time of my/our Book-entry Securities from my/our Sub-Account under the Main Account under the control of the Participant to my/our Sub-Account under another Main Account under the control of the Participant or to my/our Sub-Account under any Main Account which is under the control of another Participant or to my/our Investor Account;</li> <li>Securities transactions which has been made by way of a gift of Securities by me/us to my/our Family Members or other persons in accordance with the CDC Regulations from time to time;</li> <li>Securities transactions pertaining to any lending or borrowing of Securities made by me/us from time to time in accordance with the CDC Regulations;</li> <li>For the recovery of any charges or losses against any or all of the above transactions carried out by me/ us or services availed; and/or</li> <li>Delivery Transaction made by me/us for any other purposes as prescribed by the Commission from time to time.</li> </ol> <p>Specific authority on each occasion shall be given by me/us to the Participant for handling of Book-entry Securities beneficially owned by me/us for all other purposes as permitted under the applicable laws and regulations.</p> <p>-----</p> <p><b>Note:</b> Please note that above shall serve as a one-time fixed authorization to the Participant for handling of Book-entry Securities owned by the undersigned Sub-Account Holder(s) and entered in his/her/their Sub-Account maintained with the Participant. Handling of Book-entry Securities for all other purposes should however require specific authority in writing from the undersigned Sub-Account Holder(s) in favour of the Participant. For handling of Book-entry Securities worth Rs. 500,000/- and above, the above mentioned specific authority shall be obtained on non-judicial stamp paper.</p>										

Signatures:

Main Applicant

Joint Applicant 1

Joint Applicant 2

Joint Applicant 3

Participant

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**IMPORTANT**

Please read and understand the Terms and Conditions before signing and executing this form

**TERMS AND CONDITIONS**

The Terms and Conditions set herein below shall govern the Sub-Account forming part of the Account Family of the CDS Participant Account of the Participant, which shall be binding on the Sub-Account Holder as well as the Participant:

1. Provisions of the Central Depositories Act, 1997 ("the Act") and the Central Depository Company of Pakistan Limited Regulations ("the Regulations") as amended from time to time and the CDC's Operating Manual/Operating Instructions developed and issued pursuant thereto from time to time and any other by-laws, directives of the Securities and Exchange Commission of Pakistan issued from time to time, shall govern the opening, maintenance and operations of the Sub-Account.
2. Each page of this form should be duly signed by the Applicant (and joint Applicants if any) and the Participant or any authorized person of the Participant.
3. The Participant shall ensure provision of copies of all the relevant laws, rules and regulations at his office for access to the Sub-Account Holder(s) during working hours.
4. The Participant shall provide a list of his authorized agents/traders and designated employees, who can deal with the Sub-Account Holder(s) from time to time. Any change(s) therein shall forthwith be intimated in writing to the Sub-Account Holder(s).
5. The Registration Details and such other information specified by the Applicant in this form for opening of the Sub-Account appear in the Sub-Account to be established by the Participant in the Central Depository System who shall ensure the correctness and completeness of the same. Any change therein notified by the Sub-Account Holder from time to time in writing to the Participant shall reflect in the Sub-Account of such Sub-Account Holder.
6. The Book-entry Securities owned by the Sub-Account Holder shall be exclusively entered in the Sub-Account of such Sub-Account Holder.
7. Transfer, Pledge and Withdrawal of Book-entry Securities entered in the Sub-Account of the Sub-Account Holder shall only be made from time to time in accordance with the authorization given by the Sub-Account Holder to the Participant in Part (G) above pursuant to Section 12 and 24 of the Act. Such authorization shall constitute the congregated / entire authorizations by the Sub-Account Holder(s) in favour of the Participant and supersedes and cancels all prior authorizations (oral, written or electronic) including any different, conflicting or additional terms which appear on any agreement or form the Sub-Account Holder(s) has executed in favour of the Participant.
8. Participant shall be liable to give due and timely effect to the instructions of the Sub-Account Holder given in terms of the above-referred authorization with respect to transfer, pledge and withdrawal of Book-entry Securities entered in his Sub-Account under the control of the Participant. Such instructions, among other matters, may include closing of Sub-Account.
9. Participant shall send within 10 days of end of each quarter Account Balance statement to the Sub-Account Holder without any fee or charge showing the number of every Book-entry Security entered in his Sub-Account as of the end of the preceding quarter. Such Account Balance statement shall be generated from the CDS. Further, the Sub-Account Holder may request for such statement (including Account Activity reports) from the Participant at any time on payment of a fee on cost basis as prescribed by the Participant. The Participant shall be liable to provide such report/statement to the Sub-Account Holder within 3 Business Days from the date of receipt of such request, with or without charges.
10. In consideration for the facilities and services provided to the Sub-Account Holder by the Participant, the Sub-Account Holder shall pay fees and charges to the Participant as applicable for availing such facilities and services under the Act, the Regulations and these Terms & Conditions. In case of outstanding payment against any underlying market purchase transaction, charges and/or losses against the Sub-Account Holder, the Participant shall have the right, subject to Clause 7 above and under prior intimation to the Sub-Account Holder to clear the payment, charges and/or losses (including any shortfall in margin requirements) within the reasonable time prescribed by the Participant, to dispose off the necessary number of Book-entry Securities of the Sub-Account Holder and apply the net proceeds thereof towards the adjustment of such outstanding payment, charges and/or losses, provided that the Participant shall report the disposal of such Securities to the relevant Stock Exchange as an off-market transaction where the Securities are transferred from the Sub-Account to the House Account of the Participant.
11. Participant shall have the right, subject to 20 Business Days prior written notice to the Sub-Account Holder to close the Sub-Account if it becomes dormant with no holding balances. No Sub-Account shall be treated as dormant unless there is no activity for continuous six months.
12. Where admission of Participant to the CDS is suspended or terminated by the CDC, the Sub-Account Holder shall have the right, subject to the Regulations and the Procedures made thereunder, to request CDC to change his Controlling Account Holder and Participant shall extend full cooperation to the Sub-Account Holder in every regard, without prejudice to his right of recovery of any dues or receivable from the Sub-Account Holder.
13. In case of a Joint Account, all obligations and liabilities in relation to this Sub-Account or under these Terms and Conditions shall be joint and several.
14. These Terms and Conditions shall be binding on the Participant's nominee, legal representative, successors in interest and/or permitted assigns.
15. In the event of any conflict between these Terms and Conditions and the terms and conditions contained in Trading Account Opening Form or any other forms/authorizations prescribed by the Participant or otherwise, the Terms and Conditions contained herein shall prevail, insofar as it is related to the custodial services to be provided by the Participant under the legal framework of CDC.
16. The provision of services as provided for hereunder shall not constitute Participant as trustee and the Participant shall have no trust or other obligation in respect of the Book-entry Securities except as agreed by the Participant separately in writing.
17. The Participant is not acting under this application form as Investment Manager or Investment Advisor to the Sub-Account Holder(s).
18. The Participant should ensure due protection to the Sub-Account Holder regarding rights to dividend, rights or bonus shares etc. in respect of transactions routed through him and not do anything which is likely to harm the interest of the Sub-Account Holder with/from whom it may have had transactions in securities.
19. Subject to Section 21 of the Act, Participant shall maintain complete confidentiality of any information or document that is in his knowledge or possession or control relating to the affairs of the Sub-Account Holder(s), and in particular, relating to their Sub-Account(s), and shall not give, divulge, reveal or otherwise disclose such information or document to any other person.
20. These Terms and Conditions shall be deemed to have been amended, altered and/or modified if rights and duties of the parties hereto are altered by virtue of change in law, rules, regulations etc. of SECP and/or articles, rules, regulations of the Stock Exchanges and/or the Act, CDC Regulations, CDC's Operating Manual/Operating Procedures and/or any circular, directive or direction issued therein, such changes shall be deemed to have been incorporated and modified the rights and duties of the parties hereto.
21. The Participant shall ensure that duly filled in and signed copy of this form along with the acknowledgement receipt is provided to the Sub-Account Holder.

Signatures:

Main Applicant

Joint Applicant 1

Joint Applicant 2

Joint Applicant 3

Participant

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**DECLARATION & UNDERTAKING**

I/We, the undersigned, hereby declare that:

- a) I/We am/are not minor(s);
- b) I/We am/are of sound mind;
- c) I/We have not applied to be adjudicated as an insolvent and that I/We have not suspended payment and that I/We have not compounded with my/our creditors;
- d) I/We am/are not an undischarged insolvent;
- e) I/We confirm having read and understood the above Terms and Conditions and I/We hereby unconditionally and irrevocably agree and undertake to be bound by and to comply with the above Terms and Conditions and any other terms and conditions which may be notified from time to time with the approval of the concerned authorities modifying or substituting all or any of the above Terms and Conditions in connection with the opening, maintenance and operation of the Sub-Account;
- f) I/We, being the Applicant(s), hereby further confirm that all the information contained in this form is true and correct to the best of my/our knowledge as on the date of making this application;
- g) I/We further agree that any false/misleading information by me/us or suspension of any material fact will render my/our Sub-Account liable for termination and further action under the law; and
- h) I/We hereby now apply for opening, maintaining, operation of Sub-Account forming part of the Account Family of CDS Participant Account of Participant.

**DISCLAIMER FOR CDC ACCESS**

The main objective of providing information, reports and account maintenance services through the Interactive Voice Response System, Internet /Web access and Short Messaging Service ("SMS") or any other value added service is to facilitate the Sub-Account Holders ("Users") with a more modern way to access their information. CDC makes no other warranty of the IVR, Internet /Web access, SMS or any other value added services and Users hereby unconditionally agree that they shall make use of the internet/web access subject to all hazards and circumstances as exist with the use of the internet. CDC shall not be liable to any Users for providing and making available such services and for failure or delay in the provision of SMS to Users and all Users, who use the IVR, internet access, SMS or any other value added services, shall be deemed to have indemnified CDC, its directors, officers and employees for the time being in office and held them harmless from and against any losses, damages, costs and expenses incurred or suffered by them as a consequence of use of the IVR system, internet/web access, SMS or any other value added services.

All Users hereby warrant and agree that their access of the internet /web by the use of a User-ID and login is an advanced electronic signature and upon issuance of such User-ID to the user, they hereby waive any right to raise any objection to the compliance of the User-ID and login with the criteria of an advance electronic signature.

All Users shall by signing this Form and by their conduct of accessing the IVR, internet/Web access, SMS or any other value added services agree to all the terms and conditions and terms of use as shall appear on the CDC website at [www.cdcaccess.com.pk](http://www.cdcaccess.com.pk) which shall be deemed to have been read and agreed to by the Users before signing this form.

Name of Applicant:	Date: Place:	Signature:
Name of Joint Applicant No 1:	Date: Place:	Signature:
Name of Joint Applicant No 2:	Date: Place:	Signature:
Name of Joint Applicant No 3:	Date: Place:	Signature:
<b>For and on behalf of</b> <i>(In case if signed by the Attorney on behalf of the Applicant(s))</i>		
I we hereby agree to admit the Applicant(s) as the Sub-Account Holder(s) in terms of the above Terms and Conditions as amended from time to time and shall abide by the same in respect of opening, maintenance and operation of such Sub-Account.		
<b>Name of Participant:</b>	<b>Date:</b>	
<b>Participant's Seal &amp; Signature:</b>		
<b>Witnesses:</b>		
<b>1. Name:</b>		
Signature:	CNIC No:	
<b>2. Name:</b>		
Signature:	CNIC No:	

**Enclosures:**

1. Attested copy of CNIC / NICOP / Passport of the Applicants / Joint Applicants / nominee(s) (as the case may be).
2. Duly notarised Power of Attorney\* (if applicable).
3. Zakat Declaration of the Applicant and the Joint Applicant (if applicable).
4. Attested copy of NIN Certificate (if applicable).

\* Where the Applicant is a non-resident or foreigner, duly consularized copy of Power of Attorney by the Consul General of Pakistan having jurisdiction over the Applicant(s) should be submitted.

H. FOR THE USE OF PARTICIPANT ONLY			
Particulars of Sub-Account Opening Form verified by :			
		Stamp:	
Application:	<input type="checkbox"/>	Approved	<input type="checkbox"/>
		Rejected	
Signature: (Authorized signatory)		Date:	
Sub-Account no. issued:			
<b>Account opened by:</b>			
Saved by:		Posted by:	
Signature:	Date:	Signature:	Date:
Remarks: <i>(if any)</i>			

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ACKNOWLEDGEMENT RECEIPT	
Application No:	Date of receipt:
<i>I We hereby confirm and acknowledge the receipt of duly filled and signed Sub-Account Opening Form from the following Applicant:</i>	
<b>[[Insert Name of Applicant(s)]</b>	<b>Participant's Seal &amp; Signature:</b>
1.	
2.	
3.	
4.	

Broker Registration No: 266

HEAD OFFICE: Room No. 201, 2nd floor LSE Plaza, 19- Khyabane Aiwan -e- Iqbal Lahore. Phone: 042 36311458-59, Fax: 042 36280706

Office No. 1, Rehmanai Town, Rehamia Road, Chenab Chowk Faisalabad

**Annexure A**

**FOR INTERNAL USE ONLY**

**KYC / CDD Checklist**

Date	Account Title	Account / UIN #
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**SECTION A**

**Minimum Information / Documents to be provided by Investor**

	Pls tick		Pls tick		Pls tick
<b>1. Individuals/Sole Proprietorships</b>		<b>2. Partnerships</b>		<b>3. Institutions/Corporates</b>	
CNIC of Principal and Joint Holders / Passport for Foreign Nationals / NICOP for non-resident Pakistanis		CNICs/NICOP of all partners, as applicable		CNIC / NICOP of Authorized Signatories and Directors	
Proof of Employment/Business		Partnership Deed		List of Directors and Officers	
NTN Certificate, where available		Latest financial statements		NTN Certificate	
		Certificate of Registration (in case of registered partnership firm)		Documentary evidence of Tax Exemption (if applicable)	
		NTN Certificate		Certificate of Incorporation	
				Certificate of Commencement of Business	
				Certified Copy of Board Resolution	
				Memorandum & Articles of Association/ Bye Laws/ Trust Deed	
				Audited Accounts of the Company	
<b>4. Trusts</b>		<b>5. Clubs Societies and Associations</b>		<b>6. Executors/Administrators</b>	
CNICs of all trustees		Certified copy of certificate of Registration		CNICs of all Executors/Administrators	
Certified copy of the Trust Deed		List of members		Certified copy of Letter of Administration	
Latest financials of the trust		CNIC/NICOP of members of Governing Board			
Documentary Evidence of Tax Exemption (if applicable)		Certified copy of bylaws/rules and regulations			
Trustee/Governing Body Resolution		Copy of latest financials of Society/Association			
		Board/Governing Body Resolution			

**If documents / information is complete, proceed to Section B**

List any missing documents / information below:

- 1
- 2

**If ANY document or information is missing, proceed to Section G.4**

**SECTION B**

<b>Assessment of information provided in section A</b>		
Based on information provided in A.		
1. Is the investor also the ultimate beneficiary of the funds to be invested  If NO, joint account should be opened or power of attorney be provided by ultimate beneficiary with relevant documentary details of the beneficiary	YES	NO
2. In case the Investor is a <b>private company</b> , IS the latest shareholders' list available	YES	NO
3. In case of <b>Government Accounts</b> ,  Mark YES if the account is <b>not</b> in the personal name of the government official  A resolution / authority letter (duly endorsed by Ministry of Finance or Finance Department of concerned government) is available, which authorizes the opening and operating of this account by an officer of federal / provincial / local government in his / her official capacity	YES	NO
<b>If the answer to any of the above questions was 'NO', go to section G.3 or G.4, otherwise go to Section C</b>		

**SECTION C**

<b>Risk Category of Investor</b>	<b>Please tick box</b>		
1. Government Department / Entity	<input type="checkbox"/>	<b>LOW RISK</b>	<i>Go to Section G.1</i>
2. Public listed company	<input type="checkbox"/>	<b>LOW RISK</b>	<i>Go to Section G.1</i>
3. Private limited company	<input type="checkbox"/>	<b>MEDIUM RISK</b>	<i>Go to Section G.2</i>
4. Non-Governmental Organization (NGO)	<input type="checkbox"/>	<b>HIGH RISK</b>	<i>Go to Section G.3</i>
5. Trust / Charity	<input type="checkbox"/>	<b>HIGH RISK</b>	<i>Go to Section G.3</i>
6. Unlisted Financial institution	<input type="checkbox"/>		<i>Go to Section D</i>
7. Individual	<input type="checkbox"/>		<i>Go to Section E</i>

**SECTION D**

<b>Unlisted Private Financial Institution (NBFI)</b>		
Is the unlisted private financial institution domiciled in Pakistan and is regulated by the SECP/State Bank of Pakistan (SBP) <b>OR</b> Is it domiciled in a FATF member country that is satisfactorily following the FATF recommendations and is supervised by a regulatory body	YES	NO
	YES	NO
<b>If YES, proceed to Section G.1</b>	<b>If NO, proceed to Section G.3</b>	

**SECTION E**

<b>Individual</b>		
1. Is the person a non-resident Pakistani	YES	NO
2. Is the person a high net worth individual with no identifiable source of income or his/her profile/source of income doesn't match with size & quantum of investments/	YES	NO
3. Is the person involved in dealing in high value items <i>(based on declared occupation)</i>	YES	NO
4. Is the person a foreign national	YES	NO
5. Does the person appear to have links or money transfer to/from offshore tax havens or belongs to country(s) where KYC/CDD and anti money laundering regulations are lax (in terms of not sufficiently applying FATF recommendations)	YES	NO
6. Is there any reason to believe that the person has been refused account opening by another financial institution / brokerage house	YES	NO
7. Is the person opening the brokerage account on a non-face-to-face basis/on-line	YES	NO
<b>If the response to any question (1-7) above was 'YES', proceed to Section G.3</b>		
8. Is the person a holder of a senior level public (government) office i.e. a politically exposed person (PEP) or a family member of PEP.	YES	NO
9. Is the person a holder of high profile position (e.g. senior politician)	YES	NO
<b>If the response to any question (8-9) above was 'YES', proceed to Section F, else proceed to Section G.1</b>		

**SECTION F**

<b>Politically Exposed Person / Foreign National / Holders of High Profile Position</b>		
Is the brokerage account relationship with this high risk category person including politically exposed person / foreign national / holder of high profile position, approved by the Nominee Director, CEO / COO of the brokerage house <i>(approval shall be provided by management through signing the respective Account Opening Form)</i>	YES	NO
<b>If YES, proceed to Section G.3</b>	<b>If NO, proceed to Section G.4</b>	



**SECTION G**

Investor Risk Profile		
	Risk Classification	KYC Requirements
G.1	LOW RISK	Reduced KYC Requirements shall be applicable: Investor account can be opened once information / documents mentioned in section A have been provided.
G.2	MEDIUM RISK	Greater care required and documents listed in Section A should be obtained before opening of account.
G.3	HIGH RISK	<b>Enhanced KYC Requirements shall be applicable:</b>  Investor account can be opened once information / documents mentioned in section A have been provided.  Transactions shall be monitored to ensure that the funds used for investments are from an account under the Investor s own name in a financial institution (e.g. bank) subject to high due diligence standards and the amount and frequency of investments are not unusual given the nature and financial strength of the Investor
G.4	HIGH RISK	<b>Account cannot be opened as KYC Requirements have not been fulfilled.</b>

<b>CONFIRMATION</b> of physical presence of customer when opening account	<b>YES</b>	<b>NO</b>
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**Other Comments**

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<b>Completed by:</b>	<i>Name of Sales Person / Agent</i>	<i>Signature</i>	<i>Date</i>
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<b>Checked by:</b>	<i>Name of Compliance Person</i>	<i>Signature</i>	<i>Date</i>
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 **M/S. SHAFFI SECURITIES** (PVT) LTD.  
**TRADING RIGHT ENTITLEMENT CERTIFICATE (TREC)**

TREC No: 266

HEAD OFFICE: Room No. 201, 2nd floor LSE Plaza, 19- Khyabane Aiwan -e- Iqbal Lahore. Phone: 042 36311458-59, Fax: 042 36280706

Office No. 1, Rehmanaia Town, Rehamia Road, Chenab Chowk Fiaslabad

Manager Settlement  
Shaffi Securities (Pvt) Ltd,  
Room no: 201 Lahore Stock Exchange Building  
Lahore

Subject: **Updating IBAN**

Dear Sir,

With reference to caption subject, I am maintaining account # \_\_\_\_\_ Titled  
\_\_\_\_\_ in Shaffi Securities (Pvt) Ltd I would like to request you please up date  
my Dividend mandate, Detail of IBAN is given as follows

Title: \_\_\_\_\_

Branch: \_\_\_\_\_

Bank: \_\_\_\_\_

IBAN # \_\_\_\_\_

With best regards

  
  

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## **“ANNEXURE A”**

### **RISK DISCLOSURE DOCUMENT**

#### **(TO BE GIVEN BY THE BROKERS TO THEIR CUSTOMERS)**

This Risk Disclosure document is prescribed by the Pakistan Stock Exchange Limited (PSX) under Clause 13(1) of the Securities Broker (Licensing and Operations) Regulations, 2016.

This document contains important information relating to various types of risks associated with trading and investment in financial products (equity securities, fixed income instruments, derivatives contracts etc.) being traded at PSX. The customers should carefully read this document before opening trading account with a broker.

In case a customer suffers negative consequences or losses as a result of trading/investment, he/she shall be solely responsible for the same and PSX or Securities and Exchange Commission of Pakistan (SECP) shall not be held responsible/liable, in any manner whatsoever, for such negative consequences or losses.

The customers must acknowledge and accept that there can be no guaranteed profit or guaranteed return on their invested capital and under no circumstances a broker can provide customers such guarantee or fixed return on their investment in view of the fact that the prices of securities and futures contract can fall as well as rise depending on the market conditions and performance of the companies. Customers must understand that past performance is not a guide to future performance of the securities, contracts or market as a whole. In case the customers have any doubt or are unclear as to the risks/information disclosed in this document, PSX strongly recommends that such customer should seek an independent legal or financial advice in advance.

PSX neither singly or jointly and expressly nor impliedly guarantee nor make any representation concerning the completeness, accuracy and adequacy of the information contained in this document as this document discloses the risks and other significant aspects of trading/investment at the minimum level. PSX does not provide or purport to provide any advice and shall not be liable to any person who enters into a business relationship with a broker based on any information contained in this document. Any information contained in this document must not be construed as business/investment advice in any manner whatsoever.

#### **THE CUSTOMERS MUST BE AWARE OF AND ACQUAINTED WITH THE FOLLOWING:**

##### **1. BASIC RISKS INVOLVED IN TRADING IN SECURITIES MARKET:**

###### **1.1 VOLATILITY RISK:**

Volatility risk is the risk of changes in the value of financial product in any direction. High volatility generally means that the values of securities/contracts can undergo dramatic upswings and/or downswings during a short period. Such a high volatility can be expected relatively more in illiquid or less frequently traded securities/contracts than in liquid or more frequently traded one. Due to volatility, the order of a customer may not be executed or only partially executed due to rapid change in the market prices. Such volatility can also cause price uncertainty of the market orders as the price at which the order is executed can be substantially different from the last available market price or may change significantly thereafter, resulting in a real or notional loss.

###### **1.2 LIQUIDITY RISK:**

Liquidity refers to the ability of market participants to buy and/or sell securities expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for customers to buy and/or sell securities swiftly and with minimal price difference and, as a result, customers are more likely to pay or receive a competitive price for their executed trades. Generally, lower liquidity can be expected in

thinly traded instruments than in liquid or more frequently traded ones. As a result, order of customer may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all. Under certain market conditions, it may be difficult or impossible for the customers to liquidate a position in the market at a reasonable price, when there are no outstanding orders either on the buy side or on the sell side, or if trading is halted in a security/contract due to any reason.

### **1.3 SPECULATIVE TRADING RISK:**

Speculation involves trading of a security/contract with the expectation that it will become more valuable in a very near future. These transactions are attempted to make profit from fluctuations in the market value of securities, rather than fundamental value of a security and/or underlying attributes embodied in the securities such as dividends, bonus or any other factor(s) materially affecting the price.

Speculative trading results in an uncertain degree of gain or loss. Almost all investment activities involve speculative risks to some extent, as a customer has no idea whether an investment will be a blazing success or an utter failure.

Day trading strategy is a common example of speculative trading in which customers buy and sell the same security/derivative within the same day, such that all obligations are netted off and closed and no settlement obligations stand. The customer indulging in a day-trading strategy needs to be more vigilant and informed than the customers investing for a longer period, as market may not move during the day as the day-trader originally anticipated, resulting in a loss to them.

### **1.4 RISK OF WIDER SPREAD:**

The Bid-Ask spread is the difference between the offer price and bid price of a security/contract quoted by the Market Makers or trading parties. The size of spread is affected by a number of factors such as liquidity, volatility, free float (the total number of shares outstanding that are readily available for trading) etc. Generally, low liquidity, high volatility and low free float levels of a security may result in relatively wider Bid-Ask Spread. The higher Bid-Ask spread can result in greater cost to customers.

### **1.5 RISK PERTAINING TO THE PRICE FLUCTUATIONS DUE TO CORPORATE ANNOUNCEMENT:**

The corporate announcements by the issuers for the corporate actions or any other material information may affect the price of the securities. These announcements combined with relatively lower liquidity of the security may result in significant price volatility. The customers, while making any investment decision in such securities/contracts, are advised to take into account such announcements. Moreover, the customers should be cautious and vigilant in case fake rumors are circulating in the market. The Customers are advised to refrain from acting purely based on such rumors rather take well informed investment decision in light of all facts and circumstances associated with such securities and their issuers.

### **1.6 RISK REDUCING ORDERS:**

The customers can place orders for limiting the losses to certain amounts, such as Limit Orders, Stop Loss Orders, and Market Orders etc. Customers must ask their brokers for detailed understanding of these order types. Customers must acknowledge that placement of such orders for limiting losses to certain extent may not always be an effective tool due to rapid movements in the prices of securities and, as a result, such orders may not be executed.

### **1.7 SYSTEM RISK:**

High volume trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day causing delay in order execution or confirmation. During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there may be delays in order execution and its confirmations.

## **1.8 SYSTEMIC RISK:**

Systemic risk arises in exceptional circumstances and is the risk that the inability of one or more market participants to perform as expected will cause other participants to be unable to meet their obligations when due, thereby affecting the entire capital market.

## **1.9 SYSTEM AND NETWORKING RISK:**

Trading on the PSX is done electronically, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. All these facilities and systems are vulnerable to temporary disruption or failure, or any such other problem/glitch, which may lead to failure to establish access to the trading system/network. Such limitation may result in delay in processing or processing of buy or sell orders in part only or non-processing of orders at all. As with any financial transaction, the customer may experience losses if orders cannot be executed normally due to systems failures on the part of exchange or broker. The losses may be greater if the broker having customers' position does not have adequate back-up systems or procedures. Accordingly, the Customers are cautioned to note that although these problems may be temporary in nature, but when the customers have outstanding open positions or unexecuted orders, these limitations represent a risk because of obligations to settle all executed transactions.

## **1.10 RISK OF ONLINE SERVICES:**

The customers who trade or intend to trade online should fully understand the potential risks associated with online trading. Online trading may not be completely secure and reliable and may cause delay in transmitting information, execution of instructions due to technological barriers. Moreover, the customer acknowledges and fully understands that he/she shall be solely responsible for any consequences arising from disclosure of the access codes and/or passwords to any third person or any unauthorized use of the access codes and/or passwords.

## **1.11 REGULATORY/LEGAL RISK:**

Government policies, rules, regulations, and procedures governing trading on the exchange are updated from time to time. Such regulatory actions and changes in the legal/regulatory ecosystem including but not limited to changes in tax/levies may alter the potential profit of an investment. Some policies of the government may be focused more on some sectors than others thereby affecting the risk and return profile of the investment of the customers in those sectors.

## **2. RISKS IN DERIVATIVE AND LEVERAGE PRODUCTS:**

Derivative and leveraged trades enable the customer to take larger exposure with smaller amount of investment as margin. Such trades carry high level of risk and the customers should carefully consider whether the trading in the derivative and leveraged products is suitable for them, as it may not be suitable for all customers. The higher the degree of leverage, the greater the possibility of profit or loss it can generate in comparison with the investment involving full amount. Therefore, the customers should trade in the derivative and leveraged products in light of their experiences, objectives, financial resources and other relevant circumstances.

Derivative product namely Deliverable Futures Contract, Cash Settled Futures Contract, Stock Index Futures Contract and Index Options Contracts and leveraged products namely Margin Trading System, Margin Financing and Securities Lending and Borrowing are available for trading at stock exchange.

The customer transacting in the derivative and leveraged markets needs to carefully review the agreement provided by the brokers and also thoroughly read and understand the specifications, terms and conditions which may include markup rate, risk disclosures etc. There are a number of additional risks that all customers need to consider while entering into derivative and leveraged market transactions. These risks include the following:

- (a) Trading in the derivative and leveraged markets involves risk and may result in potentially unlimited losses that are greater than the amount deposited with the broker. As with any high risk financial product, the customer should not risk any funds that the customer cannot afford to lose, such as retirement savings, medical and other emergency funds, funds set aside for purposes such as education or home ownership, proceeds from student loans or mortgages, or funds required to meet living expenses.
- (b) All derivative and leveraged trading involves risk, and there is no trading strategy that can eliminate it. Strategies using combinations of positions, such as spreads, may be as risky as outright long or short positions. Trading in equity futures contracts requires knowledge of both the securities and the futures markets.
- (c) The customer needs to be cautious of claims of large profits from trading in such products. Although the high degree of leverage can result in large and immediate gains, it can also result in large and immediate losses.
- (d) Because of the leverage involved and the nature of equity futures contract transactions, customer may feel the effects of his/her losses immediately. The amount of initial margin is small relative to the value of the futures contract so that transactions are 'leveraged' or 'geared'. A relatively small market movement will have a proportionately larger impact on the funds the customer has deposited or will have to deposit. This may work against customer as well as for him/her. Customer may sustain a total loss of initial margin funds and any additional funds deposited with the broker to maintain his/her position. If the market moves against his/her position or margin levels are increased, customer may be called upon to pay substantial additional funds on short notice to maintain his/her position. If the customer fails to comply with a request/call for additional funds within the time specified, his/her position may be liquidated/squared-up at a loss, and customer will be liable for the loss, if any, in his/her account.
- (e) The customer may find it difficult or impossible to liquidate/square-up a position due to certain market conditions. Generally, the customer enters into an offsetting transaction in order to liquidate/square-up a position in a derivative or leverage contract or to limit the risk. If the customers cannot liquidate position, they may not be able to realize a gain in the value on position or prevent losses from increasing. This inability to liquidate could occur, for example, if trading is halted due to some emergency or unusual event in either the equity futures contract or the underlying security, no trading due to imposition of circuit breaker or system failure occurs on the part of exchange or at the broker carrying customers' position. Even if customers can liquidate position, they may be forced to do so at a price that involves a large loss.
- (f) Under certain market conditions, the prices of derivative contracts may not maintain their customary or anticipated relationships to the prices of the underlying security. These pricing disparities could occur, for example, when the market for the equity futures contract is illiquid, when the primary market for the underlying security is closed, or when the reporting of transactions in the underlying security has been delayed.
- (g) The customer may be required to settle certain futures contracts with physical delivery of the underlying security. If the customer hold position in a physically settled equity futures contract until the end of the last trading day prior to expiration, the customer shall be obligated to make or take delivery of the underlying securities, which could involve additional costs. The customer should carefully review the settlement and delivery conditions before entering into an equity futures contract.
- (h) Day trading strategies involving equity futures contracts and other products pose special risks. As with any financial product, customers who seek to purchase and sell the same equity futures in the course of a day to profit from intra-day price movements ("day traders") face a number of special risks, including substantial commissions, exposure to leverage, and competition with professional traders. The customer should thoroughly understand these risks and have appropriate experience before engaging in day trading. The customer should obtain a clear explanation of all commission, fees and other charges for which he/she will be liable. These charges will affect net profit (if any) or increase loss.

### **3. GENERAL:**

#### **3.1 ASSETS HELD WITH BROKERS:**

The customer should familiarize him/herself with the measures available for protecting from the risk of misappropriation or misuse of cash and securities held with the brokers. For such purpose, he/she may opt for UIN Information System (UIS) provided by National Clearing Company of Pakistan Limited (NCCPL). The customer should also provide correct mobile number/email address in order to receive SMS/e-Alerts services

being provided by the NCCPL and Central Depository Company of Pakistan Limited (CDC) on each trade and movement of their securities.

Moreover, the customers should be aware of the protections given to money and securities deposited with the brokers, particularly in the event of a default by such broker or the broker's insolvency or bankruptcy. The customer recognizes that in such default/insolvency/bankruptcy scenario, the customer may recover his/her money and/or property to such extent as may be governed by relevant PSX Regulations and/or local laws in force from time to time.

### **3.2 CUSTOMERS RIGHTS AND OBLIGATIONS:**

The customer must understand their rights and obligations as well as the rights and obligations of the brokers specified under the PSX Regulations and the Standardized Account Opening Form, Know Your Client Form, Standardized Sub-Account Opening Form of CDC, and Agreement(s) of Leveraged Products (Margin Trading System, Margin Financing and Securities Lending and Borrowing), where applicable, and any other applicable Rules, Regulations, Guidelines, Circulars etc. as may be issued by SECP and PSX from time to time.

- (a) The customers should ensure that they deal through the registered branch and with the registered Agents/Traders/Representatives of the broker. The customer shall also verify such details from the website of PSX and Jamapunji ([www.jamapunji.pk](http://www.jamapunji.pk));
- (b) Customer at the time of establishing relationship with the brokers, should obtain a clear explanation of all brokerage, commission, fees and other charges for which customer will be liable to pay and these charges will affect net cash inflow or outflow;
- (c) It is obligatory for the brokers to issue contract note, in either electronic form or hard copy, by next working day of trading. The contract note shall contain all information relating to trade execution including commission and charges applicable on the customers. In case contract note is not issued, customer should inquire with broker immediately and in case the matter is not resolved, the same should be reported to the PSX;
- (d) The customers should match the information as per the contract notes with the SMS/e-Alert received from CDC and/or NCCPL and may also verify from the UIS facility from the website of NCCPL.

### **UNDERTAKING**

I, the customer, hereby acknowledge that I have received this Risk Disclosure Document and have read and understood the nature of all risks and other contents and information provided in this document.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Broker

\_\_\_\_\_  
Signature of Account Holder

\_\_\_\_\_  
Signature of Joint Account Holder