



SURMAWALA SEC (PVT) LTD.

TREC HOLDER: Pakistan Stock Exchange

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KYC & CDD POLICY

Know your customer (KYC) is most closely related with the fight against commission of fraud and money laundering. It is important to highlight that money laundering and financing of criminal activities is a very serious offense and the SURMAWALA Securities (Private) Limited must always remain vigilant that their good offices are not used any such activity. This is important for the growth and development of the company and the industry.

The SECP and PSX has provided much elaborated guidelines to set KYC Policy and procedures and is contained in the prudential regulations issued in this regard.

Key area that the KYC/CDD Policy should cover include.

KYC / Customer due diligence is an on-going process for prudent exchange business practices, therefore the company has:-

- (1) Customer Identification and Updated customer information and records, if any, At reasonable intervals.
- (2) Risk assessment of Customer categorization of customer as low, medium or high risk profile, assessment the risk at the time of account opening.
- (3) Enhance Due Diligence. Monitor and check unusually large cash transactions, especially those, which are out of character / inconsistent with the history, pattern etc. of the individual account (S).
- (4) On-Going Due Diligence. Updated customer information and records, if any, At reasonable intervals.
- (5) Simplified Due Diligence. To simplify and reduced KYC and CDD measures will apply to safe guard for money laundering by unscrupulous elements.
- (6) Compliance Function. Appoint a compliance officer he/she has sufficient skills and experience to effectively perform the compliance function as per the rules and regulations of the all bodies, i.e. SECP, PSX, CDC, NCCPL and etc.
- (7) Data Retention. Maintain proper records of customer identifications and clearly indicate, in writing, if any exception is made in fulfilling the due diligence procedure.
- (8) Training and employee screening. Chalked out plan of imparting suitable training to the staff of the company periodically.