



SECURITIES AND EXCHANGE OF PAKISTAN
Specialized Companies Division
Policy, Regulation and Development Department

No. SCD/CIRCULAR/153/2020

December 30, 2020

Circular No. 35 of 2020

Subject: Requirements for Digital Account Opening by Asset Management Companies (AMCs)

The Securities and Exchange Commission of Pakistan in exercise of powers conferred under sub-section (3) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984) hereby prescribes the following minimum criteria for opening of digital accounts for Pakistani Individual Customers by Asset Management Companies (AMCs):

1.	Eligible Customers	Pakistani Individual Customers having: i. an active Account at any Bank/ active E-Wallet Mobile Account; and ii. an active mobile number in his/ her own name
2.	Minimum customer information/ personal profile/ documents required by AMCs	<p>The customer shall access the online portal (website, mobile App or any third party application) and provide the following minimum information for the purpose of registration:</p> <ol style="list-style-type: none">Customer's nameFather/ Spouse NameDate of BirthCNIC/ Identification Number with scanned copy along with date of issuance and expiryExisting residential and mailing addressMobile Number registered in his/ her name <p>Provided that the AMCs may in special circumstances use where the Pakistani Individual Customer does not have mobile number in his/ her own name, the mobile number of close family member or the mobile number provided to Pakistani Individual Customers by his/ her employer, or the international mobile number of Pakistan Individual Customer having CNIC/ NICOP and an active Account at any Bank/ active E-Wallet Mobile Account subject to the following:</p> <ul style="list-style-type: none">In case where mobile number of close family member is provided, a duly signed written authorization, on prescribed format, from both the Pakistani Individual Customers and the person whose mobile number is being provided;In case where mobile number provided by employer is used, Pakistani Individual Customers shall provide the bill of service provider in accordance with the procedures and a letter from employer stating that the said mobile number is provided by employer to its employee;In case where international mobile number is used, Pakistani Individual Customers shall provide the bill of service provider in accordance with the procedures. <p>Explanation: "For the purpose of this Circular, the term "close family member" shall mean and include spouse, dependent parents and dependent children only.</p> <ol style="list-style-type: none">Email IDMother's maiden nameBank/ E-Wallet Name and Bank Account IBAN Number/ E- Wallet Mobile Account NumberDigital/ online signature card



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	<ul style="list-style-type: none"> xi. Details of nominee xii. Source of fund/ income xiii. Dividend mandate xiv. Operating Instruction, if any xv. Statement of account request xvi. Digital/ online declaration regarding profession and sources of fund/ income along with uploading of valid document(s) as proof thereof xvii. Digital/ online undertaking declaring that funds being invested are his/ her own funds and that the funds beneficially owned by other persons will not be used and uploading of declaration/ undertaking as a proof thereof xviii. Digital/ online consent for account opening and using information/ documents provided digitally/ online for necessary due diligence and verification functions xix. Digital/ online acceptance of Terms & Conditions of the account xx. Any other documents required under AML Act, 2010 and Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 (AML/CFT Regulations) (customer specific) <p>After submission of the required information and documents, a message shall pop up for the customer on the online portal that his/her request is in process and he/ she will receive an One Time Password (OTP) once the basic information is verified.</p>
3.	<p>Verification by AMCs</p> <p>AMC will carry out required due diligence including but not limited to:</p> <ul style="list-style-type: none"> a) Verification of the CNIC/National Identity Card for Overseas Pakistanis (NICOP)/Pakistan Origin Card (POC) of customer through NADRA VERISYS; b) The CNIC and mobile number pairing (whether it is registered in the name of the customer) through Pakistan Mobile Network Database ("PMD"); <p>Provided further that in all the circumstances mentioned in proviso of clause 2 (vi) above, AMC shall perform Digital Verification to conduct online face to face interaction on real time basis through any virtual meeting application (WhatsApp, skype, etc.) for authentication of the customer and original identification document.</p> <ul style="list-style-type: none"> c) Screening of the prospective customer against applicable sanctions regimes (UNSC, NACTA, etc.); d) IBAN/ E-Wallet Mobile Account Number verification through 1-link title fetch service or IBAN/ E-Wallet Mobile Account Number and CNIC Pairing or Digital Verification to conduct online face to face interaction on real time basis through any virtual meeting application (WhatsApp, skype, etc.) for authentication of the customer and original identification document; <p>Provided that for such Pakistani Individual Customers who do not have mobile number is their own name or provide international mobile number, IBAN/ E-Wallet Mobile Account Number verification through 1-link title fetch service or IBAN/ E-Wallet Mobile Account Number and CNIC Pairing AND Digital Verification to conduct online face to face interaction on real time basis shall be mandatory.</p> <ul style="list-style-type: none"> e) Verification of contact details through One Time Password, email or Call back; <p>In case the verification is successful, an OTP shall be generated and immediately sent on the designated mobile number and/or email address of the customer, as the case may be, valid for a limited period of time.</p> <ul style="list-style-type: none"> f) AMC shall ensure before opening the account that all documents required for screening and risk rating are available and it can conducts screening and risk rating.

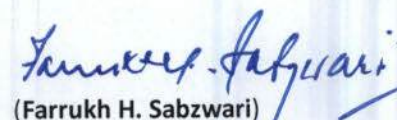


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		g) The customer will not be allowed to proceed in case the information cannot be successfully verified by AMC.
4.	Account Opening and Activation	The AMC will proceed with opening of account after the customer has successfully accessed the portal using the OTP. Account may be opened after due diligence checks and satisfactory completion of the requirements. The opening of customer account shall be subject to compliance with all other applicable legal and regulatory requirements.
5.	Additional Measures by AMCs	<ul style="list-style-type: none">➤ AMCs shall develop SOPs for:<ul style="list-style-type: none">○ Information and documents to be collected through website/ mobile App;○ Turnaround time (TAT) for decision to open or decline account is 3 working days from the time of upload of all information/ documents. In case of any discrepancy in documents or where additional documents are required, AMC would revert back to customer within the 3 working days;➤ AMCs shall not open digital/ online accounts in joint names;➤ AMCs may record the real time online face to face interaction call with the customer while carrying out KYC process for opening of account;➤ AMCs to ensure data/ privacy protection, safety and security of information/ documents through reliable IT infrastructure;➤ AMCs should ensure to deploy necessary technical infrastructure and systems while establishing business relationship through e-KYC to comply with AML/CFT regime of the country;➤ After opening of account, as part of ongoing monitoring and customer due diligence, AMCs may seek additional information from customers based on their ongoing internal risk assessment and compliance framework;➤ AMCs may carryout periodical re-profiling of the customers in accordance with AML/CFT policy;➤ AMCs shall deploy adequate controls to ensure that customer is not a robot (e.g. CAPTCHA Codes);➤ AMCs shall ensure customer care service through call centre;➤ To eliminate the risks of impersonation of the customer or identity theft, the AMC should take appropriate security measures;
6.	Types of CIS offered by AMCs	➤ All types of mutual funds may be offered to the customers subject to minimum investment limits as per the Constitutive Document of the fund and compliance with disclosure, disclaimer, risk profiling, risk categorization and other regulatory requirements.

AMCs shall at all times comply with all requirements of AML Act, 2010 and AML/CFT Regulations, 2020 issued by SECP from time to time.

This Circular shall come into force with immediate effect.


(Farrukh H. Sabzwari)
Commissioner

Distribution:

1. Chief Executive Officers of All Asset Management Companies
2. Mutual Funds Association of Pakistan
3. Trustees of Collective Investment Schemes