



Amanah
Investments
Limited

AML CFT POLICY AND PROCEDURES
UPDATED



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ANTI-MONEY LAUNDERING COMPLIANCE STATEMENT

1. Policy Statement

This policy document has been prepared in line with guidelines issued by SECP (Apex Capital Market Regulator), PSX (Stock Market Regulator), and Amanah Investments Limited Standards, FATF recommendations and international practices. It incorporates the **AIL** approach to customer identification, customer profiling based on the risk assessment and monitoring of transactions on an ongoing basis.

The policy primarily aligns the Amanah Investments limited hereinafter referred to as (**AIL**) with Regulatory requirement.

The **AIL** is committed to fully comply with all applicable laws and regulations regarding anti-money laundering procedures. AIL has adopted and will enforce the provisions set forth in AML/CFT Regulations in order to prevent and detect money laundering, terrorist financing and other illegal activities.

The primary purpose of the Compliance Policy is to establish a strong compliance culture within AIL, by providing a framework of guidelines. Therefore, it is imperative that every member, officer, director, and employee (each, an "Employee") is familiar with and complies with the policy and procedures set forth in this document.

This Compliance Statement is designed to assist all clients in adhering to AIL's policy and procedures, which, if followed diligently, are designed to protect themselves, AIL its Employees, its facilities and its activities from money laundering or other illegal activities.

To ensure that the AIL's policies and procedures are adhered to, AIL shall designate an Anti-Money Laundering Compliance Officer (the "Compliance Officer"). The Compliance Officer is responsible for establishing and conducting Employee training programs to ensure that all appropriate Employees are aware of the applicable AML/CFT Laws and Regulations, AIL's AML/CFT Policies & procedures and their responsibilities with respect to these policies.

2. Objectives of AIL's Anti-Money Laundering / Counter Financing of Terrorism Policy and Procedures

- Comply with all AML/CFT Rules & Regulations of the jurisdictions it operates in;
- Appointment of a Compliance Officer who shall ensure adherence to the AIL's



AML/CFT Policy and Procedures;

- Require all Employees to prevent, detect and report to the Compliance Officer all potential instances in which AIL or its employees, its facilities or its activities have been or are about to be used for money laundering, terrorist financing and other illegal activities;

3. What is Money Laundering?

Money laundering involves the placement of illegally obtained money into legitimate financial systems so that monetary proceeds derived from criminal activities are transformed into funds with an apparently legal source.

Money laundering has many destructive consequences both for society as a whole and for those entities involved in money laundering activities. With respect to society as whole, money laundering may provide resources for drug dealers, terrorists and other criminals to operate and expand their criminal activities.

With respect to entities, any involvement whether it be to instigate, assist, conceal, or ignore the source, nature, location, ownership or control of money laundering activities, can lead to both civil and criminal proceedings against both the individual and the entity involved .

Additionally, the adverse effects, including the adverse publicity to the Firm associated with involvement in money laundering events cannot be emphasized enough.

Money laundering transactions may include:

- Advising a potential or existing client on how to structure a transaction to avoid reporting and/or record keeping requirements;
- Engaging in any activity while willfully or recklessly disregarding the source of the funds or the nature of the Clients transaction;
- Engaging in any activity designed to hide the nature, location, source, ownership or control of proceeds of criminal activity;
- Dealing in funds to facilitate criminal activity; or
- Dealing in the proceeds of criminal activity.

Money laundering can involve the proceeds of drug dealings, terrorist activities, arms dealings, mail fraud, bank fraud, wire fraud or securities fraud, among other activities.



4. What Is Terrorist Financing?

Terrorist financing refers to the processing of funds to sponsors involved in or those who facilitate terrorist activity. Terrorist individuals/ groups/ organization derive income from a variety of sources, often combining both lawful and unlawful funding, and where the agents involved do not always know the illegitimate end of that income. The forms of such financing can be grouped into two types:

Financial Support – In the form of donations, community solicitation and other fundraising initiatives. Financial support may come from states and large organizations, or from individuals.

Revenue Generating Activities - Income is often derived from criminal activities such as kidnapping, extortion, smuggling or fraud. Income may also be derived from legitimate economic activities such as diamond trading or real estate investment.

4.1 Policy, Procedures and Controls

4.1.1. As required under clause 4 (a) of the SECP AML/CFT Regulations, Ail as a Security Broker has :

4.1.2 developed and implement policies, procedures and controls with the approval its Board of Directors for enabling the AIL to effectively manage and mitigate the risk that are identified in the risk assessment of ML/TF or notified to it by the Commission;

4.1.3. Ail shall monitor the implementation of those policies, procedures and controls and enhance them if deem necessary;

4.1.4. Ail shall perform enhanced measures where higher risks are identified, to effectively manage and mitigate those higher risks; and

4.1.5. Ail has formed an internal Audit Committee due to its limited Operations in order to test the system.

4.1.6 Ail Policies, Procedures and Controls contain a clear description for its employees and their obligations and the instructions as well as guidance on how to keep the activity of the reporting entity in compliance with the Regulations. Ail possesses internal procedures for detecting, monitoring and reporting suspicious transactions

4.1.7 The overall entity level risk of the AIL as an entity is categorized as **low** based on the result of risk assessment and by keeping in view of its limited operations.



4.1.8 Ail within the parameters of its limited operations has adopted the best practices and Technologies as required by the Commission in order to counter, identify, assesses and mitigate the money laundering and terrorism financing that may be arise in the event of development of new products and introducing new business practices.

4.1.9. Ail shall undertake that while complying with the requirements of the regulations of the Commission would pay special attention to any new products, new business practices, new delivery mechanism that leads to anonymity .

4.1.10 In terms of the AML/CFT Regulations, in case if a relationship with the Customer is refused and/or closed as a result of negative verification by the **AIL**, In such situation a list of all such account(s) would be properly maintained

5. Anti-Money Laundering Compliance Officer

The AIL has appointed a dedicated Compliance Officer to oversight the Compliance function who will be reporting to the Board of Directors of the AIL. Any Employee shall immediately notify the Compliance Officer if he/she suspects or has any reason to suspect that any potentially suspicious activity has occurred or will occur if a transaction is completed. Employees are encouraged to seek the assistance of the Compliance Officer with any questions or concerns they may have with respect to the AIL's AML/CFT Policy & Procedures.

Responsibilities of the Compliance Officer include the following:

- Review of Account Opening Forms and sign off from Compliance perspective
- Coordination and monitoring of AIL's day-to-day compliance with applicable Anti-Money Laundering Laws and Regulations and AIL's own AML/CFT Policy and Procedures;
- Conducting Employee training programs for appropriate personnel related to the AIL's AML/CFT policy and procedures and maintaining records evidencing such training;
- Receiving and reviewing any reports of suspicious activity from Employees;
- Determining whether any suspicious activity as reported by an Employee warrants reporting to senior management of the Firm;
- Coordination of enhanced due diligence procedures regarding Clients; and Responding to both internal and external inquiries regarding AIL's AML/CFT policy and procedures.



6. Anti-Money Laundering Employee Training Program

As part of the AIL's anti-money laundering program, all Employees are expected to be fully aware of the AIL's AML/CFT policy and procedures.

Each Employee is required to read and comply with this Compliance policy and procedures, address concerns to the Compliance Officer and sign the acknowledgement form confirming that he/she has read and understands AIL's AML/CFT policy and procedures.

To ensure the continued adherence to AIL's AML/CFT policy and procedures, all Employees are required to reconfirm their awareness of the contents of this document by signing the acknowledgement form annually, or more frequently, as required by the Compliance Officer.

All Employees are required;

- At a time specified by the Compliance officer, to undertake training programs on AML/CFT policy and procedures.
- To get trained in how to recognize and deal with transactions which may be related to money laundering.
- To timely escalate and report the matter to the Compliance Officer.
- To get themselves acquainted with Anti Money Laundering Rules & Regulations.
- To comply with the requirements of Rules & Regulations.

7. Client Identification Procedures

- **General**

AIL's AML/CFT policy and procedures are intended to ensure that, prior to accepting funds from Clients, all reasonable and practical measures are taken to confirm the Clients' identities.

AIL may take assistance from the bank or other financial institutions for completing client identification process. The assistance shall not relieve the AIL for identification process to be conducted by the company.

These Client Identification Procedures are based on the premise that the AIL will accept funds from a new and existing Client only after:

- AIL has confirmed the Client's identity and that the Client is acting as a principal and not for the benefit of any third party unless specific disclosure to that effect is made; or



The Client Identification Procedures should be reviewed in light of the specific characteristics presented by a Client and in any instance the Compliance Officer may determine to apply enhanced measures for reasons other than those discussed in section below.

As a reference tool, an Individual Client KYC Checklist is used. Employees are encouraged to provide the Compliance Officer with any revisions they consider appropriate. The Compliance Officer shall retain copies of all documents reviewed or checklists completed in connection with its Client Identification Procedures in accordance with AIL's Client Records Retention policy.

Every Customer shall be identified for establishing business relationship. For this purpose, investors need to fill out the Account Opening Form available at the customer support counters at AIL office or download it from AIL website.

- ***Client Identification Procedures for Natural Persons***

For Identity and due diligence purposes, at the minimum following information shall be obtained, verified and recorded on KYC/CDD form or account opening form:

- Full name as per Identity document of the Applicant
- Date of Birth, Gender, Marital status, Religion, Occupation, and Qualification
- Residential Status, Nationality, Country of Residence
- Details of Employer/Business
- CNIC/NICOP/SNIC/POC/Passport Number
- Existing Mailing and Permanent address
- Residential Telephone Number, Office Telephone Number, Fax Number, Mobile Number and Email address
- NTN and STN number (if applicable)
- Nature and Type of Account
- Details of Bank Account
- Details of Investor Account maintaining with CDC and Details of Sub Account maintaining with other Broker(s)
- Source of Income, Gross Annual Income, Sources of Fund for Stock Market, Expected value of Investment
- Knowledge of stock Market and Investment experience
- Normal or expected mode of transaction



- ***Client Identification Procedures for Corporations, Partnerships, Trusts and Other Legal Entities***

AIL shall take reasonable steps to ascertain satisfactory evidence of an entity Client's name and address, its authority to make the contemplated investment.

For Identity and due diligence purposes, at the minimum following information shall be obtained, verified and recorded on KYC/CDD form or account opening form:

- Full name as per Identity document
- Company registration /Incorporation number
- Date and country of Incorporation
- Date of Business Commenced
- Residential Status
- Type of Business
- Name of parent Company
- Email, website and contact numbers
- Registered and mailing address
- NTN number and/or Sales Tax number
- Details of Contact Person and authorized person to operate the account
- Nature and Type of Account
- Details of Bank Account
- Details of Investor Account maintaining with CDC and Details of Sub Account maintaining with other Broker(s)
- Financial and General information including Investment experience, Expected value of investment, recent change in ownership of the company, customer type,
- Normal or expected mode of transaction

AIL will obtain the following documents, as appropriate under the circumstances:



- Certified true copy of Board Resolution. (Specimen provided as per Annexure “A”) / Power of Attorney*
- Certified true copies of Constitutive Documents of the Applicant (Memorandum & Articles of Association, Act / Charter / Statute / By laws / Rules & Regulations, Certificate of Incorporation, Certificate of Commencement of Business, Prospectus for Modaraba, Relevant licenses and registration issued by Regulatory Bodies etc.)*
- Certified copy of list of Directors / Trustee (if applicable)*
- List of authorized signatories.
- List of Nominated persons allowed placing orders.
- Attested copies of C.N.I.C. / N.I.C.O.P / Passports of the Authorized Signatories.
- Attested copies of C.N.I.C. / N.I.C.O.P / Passports of the Contact Person.
- Attested copies of C.N.I.C. / N.I.C.O.P / Passports of the Witnesses.
- Certified copy of N.T.N. Certificate. (If exempted please provide Exemption Certificate).
- Latest Audited Accounts of the Company. (In case if Audit is mandatory) / Un-audited Financial Statements duly signed/authenticated by the Authorized Directors

- **Customers' Screening:**

In terms of AML/CFT Regulations, it is prohibited to provide services to proscribed individuals & entities or to those who are known for their association with such individuals & entities, whether under the proscribed name or with a different name. Accordingly, it is imperative for AIL to monitor its relationships on a continuous basis and ensure that no such relationship exists. Further, in case, if any such relationship is found, immediately report the same to Financial Monitoring Unit (FMU) and take any other action, as per law.

In case if it is observed that a person is acting on behalf of the Customer instead of the Customer itself in such situation following reasonable steps to be taken in terms of AML/CFT Regulations before the commencement of relationship.

- Obtain documentary evidence to determine authority of such person acting on behalf of a Customer such as written authority letter from



the Customer,/ Proper Power of Attorney issued in favour of such person acting on behalf of a Customer,

- AIL has also a policy to obtain proper **ID** of the person if acting on behalf of a Customer and also to perform a complete due diligence process.

In pursuance of above, all customers should be properly screened through UN/OFAC sanctioned lists as available in the data base of the company or any other means applicable or appropriate.

- ***Approval***

The account will only be processed for account opening after it has been authorized by Compliance officer and incase of High risk customer, by the senior management of AIL

- ***Verification of Identity***

The AIL shall verify identities of customers (Natural or Artificial persons) from NCS data base and retain on record copies of all reference documents used for identification and verification.

- ***Timing of Verification***

Verification of the identity of the customers shall be completed before business relations are established including verification of Universal Identification Number (UIN) from National clearing company of Pakistan limited (NCCPL) database.

- ***Payment Mechanism***

The AIL shall accept from the Account Holder(s) payment 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 AIL through banks would be regarded as good as cheque. The AIL shall be responsible to provide the receipt to the Account Holder(s) in the name of Account Holder(s) duly signed by authorized employee of the Broker and the Account Holder(s) shall be responsible to obtain the receipt thereof. I.

The AIL 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.

AIL may accept initial deposit at the time of submission of necessary documents by their prospective customers subject to the following:

1. Initial deposit receipt will be issued after completing necessary due diligence including NCCPL verification.
2. The account numbers will be generated (NCCPL Client code and CDC Sub account number). AIL to obtain signatures of concerned Account Holders / Authorized Signatories as acknowledgement on the Posted Registration Detail Report generated from CDS.
3. The initial deposit will be credited to the customer's account only.
4. In case, the business relationship needed to be closed due to unsatisfactory due diligence, the AIL shall guide the customers to visit the office to get refund of initial deposit through cheque.

- ***Account Shall Not Open***

The AIL shall not open account, In case of following under any circumstances.

Where CDD Measures are not completed

In case the AIL is not been able to satisfactorily completed required CDD measures, account shall not be opened or any service provided and consideration shall be given if the circumstances are suspicious so as to warrant the filing of an STR.

Anonymous or Fictitious Account:

AIL shall not open or maintain anonymous account or accounts in the name of factitious persons.

Government Accounts:

Government Account shall not be opened in the personal names of the government officials.

Proscribed Individuals/Entities:

AIL shall not provide services to Proscribed Individuals, Groups and Entities declared/ listed by UNSC (United Nations Security Council) and/ or by OFAC (Office of Foreign Asset Control –USA) OR those who are known for their association with such entities and persons, whether under the proscribed name or with a different name.

Politically Exposed Persons (PEPs)

These generally include individuals in prominent positions such as senior politicians, senior government, judicial or military officials; senior executives of State Corporations and their family members and close associates. These individuals present reputational risk and potential conflict of interest and extra caution is required when opening their brokerage account and monitoring their account activity. The above definition is not intended to cover middle ranking / junior officials in above noted categories. However, prudence requires brokers to be careful while dealing with such customers

8. Risk Profiling Of Customers

All relationships shall be categorized with respect to their risk levels i.e. High, Medium and Low based on the risk profiling of customer (through KYC/CDD application and as guided in the operational Manual for making effective decision whether to perform Simplified Due Diligence (SDD) or Enhanced Due Diligence (EDD) both at the time of opening and ongoing monitoring of business relationship.

The approval for opening of PEP and Non-Governmental Organizations (NGOs)/Not-for-Profit Organizations (NPOs) and Charities account will be obtained from Senior Management (Business Head) after performing EDD. Further Personal accounts will not be allowed to be used for charity purposes/collection of donations. Customer KYC / CDD profile will be reviewed and/or updated on the basis of predefined frequency, in accordance with the risk profile of the customer, as per procedure defined in operational Manual

- High Risk At least Once in a Year or One-off*
- Medium Risk At Least Once in 2 Years or One-off*
- Low Risk At least Once in 3 Years or One-off*

*In case of any material change in the relationship or deviation from customer profile, CDD will be conducted and customer profile will be updated immediately without lapse of above defined period.

- ***High-Risk Clients***

The Compliance Officer will provide and will continuously update a list of the types of Clients that AIL considers to be of 'high risk,' such that enhanced due diligence procedures are warranted compared to the routine Client Identification Procedures.

Following are the examples of Clients who pose a high money laundering risk:



1. Non-resident customers;
2. Legal persons or arrangements including non-governmental organizations; (NGOs)/ not-for-profit organizations (NPOs) and trusts / charities;
3. Customers belonging to countries where CDD/KYC and antimoney laundering regulations are lax or if funds originate or go to those countries;
4. Customers whose business or activities present a higher risk of money laundering such as cash based business;
5. Customers with links to offshore tax havens;
6. High net worth customers with no clearly identifiable source of income;
7. There is reason to believe that the customer has been refused brokerage services by another brokerage house;
8. Non-face-to face / on-line customers;
9. Establishing business relationship or transactions with counterparts from or in countries not sufficiently applying FATF recommendations; and

- ***Enhanced Client Identification Procedures for 'High-Risk' Natural Persons***

Enhanced Client Identification Procedures for 'high risk' natural persons as Clients include, but are not limited to, the following:

- Assessing the Client's business reputation through review of financial or professional references, generally available media reports or by other means;
- Considering the source of the Client's wealth: including the economic activities that generated the Client's wealth, and the source of the particular funds intended to be used to make the investment;
- Reviewing generally available public information, such as media reports, to determine whether the Client has been the subject of any criminal or civil enforcement action based on violations of anti-money laundering laws or regulations or any investigation, indictment, conviction or civil enforcement action relating to financing of terrorists;
- Conducting a face-to-face meeting with the Client to discuss/confirm the account opening documents.



The enhanced due diligence procedures undertaken with respect to 'high risk' Clients must be thoroughly documented in writing, and any questions or concerns with regard to a 'high risk' Clients should be directed to the Compliance Officer.

- ***Enhanced Client Identification Procedures for 'High-Risk' Corporations, Partnerships, Trusts and Other legal Entities***

Enhanced Client Identification Procedures for 'high risk' corporations, partnerships and other legal entities include, but are not limited to, the following:

- Assessing the Client's business reputation through review of financial or professional references, generally available media reports or by other means;
- Reviewing recent changes in the ownership or senior management of the Client;
- Conducting a visit to the Client's place of business and conducting a face-to-face meeting with the Client to discuss/confirm the account application, the purpose of the account and the source of assets;
- Reviewing generally available public information to determine whether the Client has been the subject of any criminal or civil enforcement action based on violations of anti-money laundering laws or regulations or any criminal investigation, indictment, conviction or civil enforcement action relating to financing of terrorists.

- ***Simplified Due Diligence (SDD)***

There might be circumstances where the risk of money laundering or financing of terrorism may be low as information on the identity of the customer and the beneficial ownership is publicly available and/or the turnover in the account is meager. In such circumstances, and provided there has been an adequate analysis of the risk, following SDD measures will be applied.

SDD measures shall include:

- Decreasing the frequency of customer identification updates;
- Reducing the degree of on-going monitoring and scrutinizing transactions based on a reasonable monetary threshold; and



- Not collecting specific information or carrying out specific measures to understand the purpose and intended nature of the business relationship, but intended purpose and nature of account may be ascertained from the relationship established or from the type of transactions.

SDD measures should not be considered in following situations:

- When there is a suspicion of money laundering or financing of terrorism;
- There are no exceptions in reporting suspicion to FMU within the provisions of AML Act.

9. General Reporting Procedures

- The Compliance Officer on behalf of the organization is nominated to receive disclosures under this regulation.
- Anyone in the organization, to whom information comes in the course of the relevant business as a result of which he suspects that a person is engaged in money laundering, must disclose it to the Compliance Officer;
- Where a disclosure is made to the Compliance Officer, the officer must consider it in the light of any relevant information which is available to AIL and determine whether it gives rise to suspicion: and
- Where the Compliance Officer determines in consultation with the Senior Management, the information must be disclosed to the Regulatory Authority after obtaining an independent legal advice.

10. Other Offences - Failure to Report Offences

- Failure by an individual in the regulated sector to inform the Regulatory Authority or the AIL's Compliance Officer, as soon as practicable, of knowledge or suspicion (or reasonable grounds for knowing or suspecting) that another person is engaged in money laundering;
- Failure by Compliance Officers in the regulated sector to make the required report to Regulatory Authority as soon as practicable, if an internal report leads them to know or suspect that a person is engaged in money laundering.

De minimis concessions



Note that the obligation to report does not depend on the amount involved or the seriousness of the offence. There are no de minimis concessions.

11. Client Records Retention

Copies of all documents related to AIL's Client Identification Procedures will be retained for an appropriate period of time and, at a minimum, the period of time required by applicable law or regulation.

The documents AIL retains are copies of documents reviewed in connection with Client Identification Procedures or enhanced due diligence procedures, Client identification checklists, if any, or similar due diligence documentation, and any other documents required to be retained by applicable anti-money laundering legislation.

AIL will retain documents for so long as a Client is a client of AIL and for a minimum of five years after this relationship ends.

AIL shall satisfy, on timely basis, any enquiry or order from the relevant competent authorities including Law enforcement agencies and FMU for supply of information and records as per law.

12. Review of Existing Client Base and Detection of Suspicious Activity

The AIL shall perform such CDD measures as may be appropriate to its existing customers having regard to its own assessment of materiality and risk but without compromise on identity and verification requirements.

The Compliance Officer shall coordinate a periodic review of the AIL's existing Client list, and ensure the adequacy of due diligence performed on existing Clients. In addition, AIL's policies, procedures and controls may provide for the detection of suspicious activity, and if detected may require further review to determine whether the activity is suspicious,

AIL requires any Employee who detects suspicious activity or has reason to believe that suspicious activity is taking place immediately to inform his or her immediate supervisor as well as the Compliance Officer.

Under no circumstances may an Employee discuss the suspicious activity, or the fact that it has been referred to the Compliance Officer, with the Client concerned (Required by Law).

The Compliance Officer shall determine in consultation with the higher management whether to report to appropriate law enforcement officials (i.e. FMU-Financial Monitoring Unit) any suspicious activity of which he becomes aware within 7 working days of knowing the suspicious activity (Required by Law).



- ***Where CDD Measures are not completed***

If the CDD of an existing customer is found unsatisfactory, the relationship should be treated as High Risk and reporting of suspicious transaction be considered as per law and circumstances of the case.

On-going due Diligence

Customer Due Diligence (CDD) is not a one-time exercise at the time of account opening only. In order to guard against misuse of AIL channel against criminal transactions, one needs to be vigilant at all the times, and keep monitoring transactions of their customers to ensure that the transactions executed in any particular account are within the customer's profile, risk category, historical pattern of the transactions and their historic funding source.

- ***Compliance report for SECP***

AIL will report to SECP of any suspicious UIN through NCCPL terminal two times in every month. However if there is no suspicious UIN, the AIL will submit "NIL" Report.

- ***Recognizing & Reporting of STRs
(Suspicious Transactions)***

STRs include detailed information about transactions that are or appear to be suspicious in terms of AML Act 2010. AIL shall comply with the provisions of AML Act, rules and regulations issued there under for reporting of suspicious transactions in the context of money laundering or financing of terrorism.

In pursuance to the above, the compliance officer should review and monitor the transactions of customer's accounts on an ongoing basis in accordance to the policy.

While reviewing transactions, the compliance officer should pay special attention to all complex, unusually large transactions, and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose.

The transactions, which are out of character or inconsistent with the history, pattern, or normal operation of the account including through heavy deposits, withdrawals and transfers, etc should be viewed with the suspicion, and be properly investigated.

If Compliance officer decides to report any transaction/ account to the FMU as "Suspicious" based on the justifiable grounds, the same should be reported to FMU under intimation to the CEO/ Chairman of the board.



All the employees of AIL are strictly prohibited to disclose the fact to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required by law.

- **Reporting of CTRs**

In terms with AML/CFT Regulations in the event of a transaction if occurs and/or carried out in excess of Rs. Two million or more by a Customer in cash, a CTR is to be reported to the concerned in accordance to the policy.

13. Registration Details Update

In accordance to the Directives under the PSX Rule book, CDC Regulations an updation in Registration detail of any client can only be done after obtaining of the below mentioned document.

Contact Details Update

For change of contact details i.e. contact number, local mobile number, email address etc. duly signed letter or Updation Form or by an email sent through registered email address is required as per the operating instructions. However Title Account Holder may personally visit along with original CNIC for change of address without any documentary proof.

Zakat Status Update

To update Zakat status as Zakat non-payable, letter or Updation Form along with notarized copy of Zakat Declaration is required.

Dividend Mandate Update

Dividend Mandate i.e. bank details for receiving dividend warrant directly into bank account is added/updated upon letter or Updation Form.

NTN Update

NTN is updated either upon receiving duly signed letter/Updation Form or by an email sent through registered email address.

Signature Update

Physical presence is required along with original CNIC to update the record and for non-resident / foreign account duly signed signature card.



14. Account Closing

The Customer Account will be closed after adopting the following procedure;

- I. WRITTEN REQUEST FROM THE CLIENT FOR THE CLOSER OF ACCOUNT**
- II. VERIFICATION FROM BACK OFFICE TO SEE OUTSTANDING DUES/CREDITS AVAILABLE FOR CUSTOMER IF ANY.**
- III. VERIFICATION FROM BACK OFFICE IF ANY SECURITIES OF CLIENT AVAILABLE IN CDC SUB ACCOUNT**
- IV. CLEARANCE LETTER FROM BACK OFFICE OF ABOVE**
- V. THEREAFTER WROTE LETTER TO NCCPL FOR ISSUANCE OF CLEARANCE CERTIFICATE FOR CLOSER OF TRADING ACCOUNT**
- VI. NCCPL ISSUES CLEARANCE CERTIFICATE**
- VII. UPON RECEIPT OF CLEARANCE CERTIFICATE –UIN AND CDC – SUB ACCOUNT OF SUCH CLIENT IS CLOSED.**

15. Employee Due Diligence & Screening

In order to ensure that unscrupulous elements do not become employees appropriate screening procedures should be followed to ensure high standards of staff in terms of honesty, integrity, ethics and professionalism To complete the process the HR department must issue confidential letters to the last employer and employee provided reference.

Employee reference must be non-blood relatives and preferred to be from the past Employer's of the employee(s).

16. Regular Review/Audit of the Manual

A regular review of the program should be undertaken to ensure that it is functioning as designed. Such a review could be performed by external or internal resources, and should be accompanied by 2 formal assessment or written report.



If and when regulations are amended concerning reporting of suspicious activities, AIL will amend this AML/CFT Policy & Procedures to comply with those regulations.

17. AML/CFT Audit

In terms of the AML/CFT Regulations **AIL** being a small sized entity having limited trading operations shall conduct an AML/CFT audit on regular basis within the parameters of its limited operations and size. The AML/CFT audit in order to assess the AML/CFT systems includes and covers the following;

- test the overall integrity and effectiveness of the AML/CFT systems and controls;
- assess the adequacy of internal policies and procedures in identified risks;
- assess compliance with the relevant laws and regulations;
- test transactions in all areas of the entity, with emphasis on high risk areas, products and services;
- assess employees' knowledge of the laws, regulations, guidance, and policies and procedures;
- assess the adequacy, accuracy and completeness of training programs;
- assess the compliance oversight and quality control including parameters for automatic alerts (if any) and
- assess the adequacy of the **Ail** process of identifying suspicious activity including screening sanctions lists.

19. Policy Review Period

The AML/CFT Policy & Procedures will be reviewed on as and when required basis but not later than two years.