

(INDIVIDUAL RESIDENT PAKISTANI ONLY)

Reference

INSTRUCTION TO FILL THE ACCOUNT OPENING FORM - INDIVIDUALS

- Each and every column must be filled in block Letters.
- Column which are not applicable should be marked "NA".
- Account holder name / Nominee name should be the same as it appears on the CNIC (Computerized National Identity Card).
- Mailing / Permanent address should be the same as it appears on the CNIC or the evidence of the address provided.
- Mobile number and the email address should be clearly provided in the space wherever asked to fill the form.
- Mobile number and the email address should be registered in the name of Principal Account Holder. In special circumstances where the applicant is unable to provide his / her registered mobile number, please provide the mobile number of a close family member along with written authorization duly signed in the prescribed format, from a domestic customer and the person whose mobile number is to be registered.
- Biometric / OTP Verification shall be required of Principal Account Holder.
- Zakat status must be marked either "Deductable" or "Non-Deductable". In case, if it is marked "Non-Deductable", then Zakat Declaration Certificate (CZ 50) duly Notarized is required.
- Information pertaining to the Dividend Mandate must be mandatorily filled. IBAN No. must be mentioned so that dividends can directly be credited to the Principal Account Holder's bank account. In case of IBAN is not verified by the National Clearing Company of Pakistan Limited (NCCPL), then a copy of the cheque or any relevant document shall be required for IBAN verification.
- All Corrections must be signed by Main Applicant, as applicable.
- Correction fluid / Blanco must not be used on any page of the Account Opening Form. Otherwise, the page shall not be considered as valid.
- Make your cheque in favor of "Foundation Securities Private Limited" and Cross your cheque to "A/c Payee only".
- The Foundation Securities shall not process any Account Opening request which is incomplete / the information provided is incorrect or cannot be verified / conflicting and contradictory information is provided / complete or accurate supporting documents are not provided.

Note:

Do not pay cash in excess of Rs. 25,000/- & all payment instruments must be made in favour of Foundation Securities (Private) Limited only. Third party payment to and from Foundation Securities (Private) Limited is not allowed.

Foundation Securities (Private) Limited

Ground Floor, Bahria Complex II, MT Khan Road, Karachi

SAHULAT KNOW YOUR CLIENT (KYC) APPLICATION FORM AND SAHULAT ACCOUNT OPENING FORM

(INDIVIDUAL RESIDENT PAKISTANI ONLY)

FOR OFFICIAL USE ONLY

Application Form No.	
TRE Certificate No.	
Broker Registration No.	
CDS Participant ID	
Sub-Account / IAS Account No.	
Trading Account No. (Back-office ID, if applicable)	

(Please use BLOCK LETTERS to fill the form)

A - IDENTITY DETAILS OF APPLICANT

1. Full name of Applicant (as per CNIC/SNIC)		
2(a). Father's / Husband's Name:		2(b). Mother's Maiden Name:
3. Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female	
4(a). CNIC/ SNIC No:		
(b). Expiry date:	(c). Issue date:	<input type="checkbox"/> Life time:
5. Date of Birth		

B - ADDRESS DETAILS OF APPLICANT

1(a). Mailing Address: (Address should be different from authorized intermediary business address except for employees of authorized intermediary)		
City / Town / Village:	Province / State:	Country:
(b). Mobile:	(c). Email*:	
2. Permanent Address: (Mandatory to fill out different from address mentioned on CNIC)		

C - OTHER DETAILS

[Please tick (✓) the appropriate box]

1. Gross Annual Income Details:	<input type="checkbox"/> Up to Rs. 100,000	<input type="checkbox"/> Rs. 100,001 - Rs. 250,000	<input type="checkbox"/> Rs. 250,001 - Rs. 500,000	<input type="checkbox"/> above Rs. 500,000			
2. Source of Earnings/Income:							
3(a). Profession/ Occupation:	<input type="checkbox"/> Agriculturist	<input type="checkbox"/> Business	<input type="checkbox"/> Housewife	<input type="checkbox"/> Household	<input type="checkbox"/> Retired Person	<input type="checkbox"/> Student	<input type="checkbox"/> Business Executive
	<input type="checkbox"/> Industrialist	<input type="checkbox"/> Professional	<input type="checkbox"/> Service	<input type="checkbox"/> Govt. /Public Sector	<input type="checkbox"/> Others (Specify) _____		
(b). Name of Employer / Business:				(c). Job Title / Designation:			
(d). Address of Employer / Business:							

D - BANK DETAILS / E WALLET

Bank Name:	IBAN No.:
E Wallet Provider Name:	E Wallet Number:

E - DECLARATION

I hereby confirm that all the information furnished above is true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be untrue or false or misleading or misrepresenting, I am aware that I may be held liable for it.

Signature of the Applicant

Date:

Signature of the Applicant as per CNIC/ SNIC

FOR OFFICE USE ONLY

(Only applicable if Applicant signature is different)

Authorized Signatory

Date:

Seal / Stamp of the Authorized Intermediary

* Optional

** For CNIC/SNIC, Mobile Number is Mandatory and Email is Optional, however, in case of online account opening both mobile number and email address are mandatory.

*** IBAN shall be mandatory for all Customers except for those who have provided an undertaking for exclusion from IBAN requirement due to any exception available under applicable laws, rules, regulations etc or where permitted by CKO for reasons to be recorded.

F - ZAKAT STATUS

[Please tick (✓) the appropriate box]

[If, according to the Fiqh of the Applicant, Zakat is not deductible, then relevant Declaration on prescribed format shall be submitted by the Applicant with the concerned Participant / TREC Holder/Investor Account Holder]. Non-Muslims shall submit an affidavit.

- ☐ Muslim Zakat deductible
☐ Muslim Zakat non-deductible
☐ Not Applicable

G - PARTICULARS OF NOMINEE (OPTIONAL)

[Nomination may be made in terms of requirements of Section 79 of the Companies Act, 2017, which inter alia requires that person nominated as aforesaid shall not be a person other than the following relatives of the Investor Account Holder / Sub- Account Holder, namely: a spouse, father, mother, brother, sister and son or daughter.]

(a) Name of Nominee:

(b) Father's / Husband Name:

(c) Relationship with the Applicant:
 [Please tick (✓) the appropriate box]

- ☐ Spouse ☐ Father ☐ Mother ☐ Brother
☐ Sister ☐ Son ☐ Daughter

(d) ☐ CNIC ☐ SNIC ☐ NICOP
☐ ARC ☐ POC No. of the

Nominee:

[Please tick (✓) the appropriate box]

(e) Expiry date of CNIC / SNIC / NICOP / ARC / POC:

(f) Passport details:
 (In case of a foreigner or a Pakistani origin)

Passport Number: Place of Issue:
 Date of Issue: Date of Expiry:

H - CDC ACCESS

CDC provides **FREE OF COST** services under CDC access whereby Sub-account holders / Investor Account holders can have real time access to their account related information.

1. Do you wish to subscribe to free of cost IVR / Web Service? [Please tick (✓) the appropriate box]

☐ Yes ☐ No

2. If you are subscribing to IVR and Web Service, please provide Mother's Maiden Name:

I - AUTHORIZATION UNDER SECTIONS 12 AND 24 OF THE CDC ACT EXCLUSIVELY FOR SETTLEMENT OF UNDERLYING TRADES, PLEDGE AND RECOVERY OF PAYMENTS, CHARGES AND LOSSES (FOR SUB-ACCOUNT ONLY)

I, the undersigned, hereby give my 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 and entered in my Sub-Account maintained with the Participant for securities transactions that are exclusively meant for the following purposes:

- For the settlement of any underlying market transactions (trades) including off market transactions made by me from time to time;
- For pledge securities transactions with NCCPL to any of my underlying market transactions (trades) to be settled through NCCPL from time to time;
- For the recovery of payment against any underlying market purchase transactions made by me from time to time;
- Movement by me from time to time of my Book-entry Securities from my Sub-Account under the Main Account under the control of the Participant to my Sub-Account under another Main Account under the control of the Participant or to my Sub-Account under any Main Account which is under the control of another Participant or to my Investor Account;
- Securities transactions which has been made by way of a gift of Securities by me to my Family Members or other persons in accordance with the CDC Regulations from time to time;
- For the recovery of any charges or losses against any or all of the above transactions carried out by me or services availed; and/or
- Delivery Transaction made by me for any other purposes as prescribed by the Commission from time to time.

Specific authority on each occasion shall be given by me to the Participant for handling of Book-entry Securities beneficially owned by me for all other purposes as permitted under the applicable laws and regulations.

Note: Please note that above shall serve as a standing authorization to the Participant for handling of Book-entry Securities owned by the undersigned Sub-Account Holder 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 (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.

J - SIGNATURES

Name of Applicant:

Date:

Signature:

Place:

Enclosures*

- Copy of valid CNIC/SNIC of the applicant.
- Copy of valid CNIC/SNIC/NICOP/ARC/POC/ Passport of the Nominee, if nominated.
- Copy of Zakat Declaration of the Applicant. In case of Non-Muslim, an affidavit shall be submitted.

TERMS AND CONDITIONS

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

These Terms and Conditions shall constitute a Contract between the Parties hereto. This Contract shall govern opening, maintenance and operations of Trading Account, CDC Sub-Account(s) and sharing of UIN and KYC information to/from NCCPL and ancillary matters connected therewith.

GENERAL TERMS AND CONDITIONS

1. All Trades, Transactions including non-Exchange Transactions (jointly referred to as "Transactions") between the Parties and Clearing and Settlement thereof and opening, maintenance and operations of Sub-Account in the CDS shall be subject to the Securities Act, 2015, Central Depositories Act, 1997, Pakistan Stock Exchange Limited (PSX) Regulations, Central Depository Company of Pakistan Limited (CDC) Regulations, CKO Regulations, 2017, National Clearing Company of Pakistan Limited (NCCPL) Regulations and the Securities Brokers (Licensing and Operations) Regulation, 2016 including Procedures, Manuals, Policies, Guidelines, Circulars, Directives, and Notifications issued and as amended thereunder by the Securities and Exchange Commission of Pakistan (SECP), PSX, CDC or NCCPL from time to time.
2. The information provided in Sahulat Know Your Client (KYC) Form and/or Sahulat Account Opening Form shall be in addition to and not in derogation of the requirements prescribed under Anti-Money Laundering and Countering Financing of Terrorism Regulations, 2018.
3. These Terms and Conditions shall be binding on the nominee, legal representative, successors in interest and/or permitted assigns of the respective Parties hereto.
4. The Securities Broker/Participant shall provide a list of its Registered Offices and Representatives authorized and employees designated to deal with the Sub-Account Holder(s)/Customer(s) along with their authorized mobile/landline/fax number(s), email and registered addresses. Any change(s) therein shall be intimated in writing to the Sub-Account Holder(s)/Customer(s) with immediate effect.
5. The Securities Broker/Participant shall independently verify any of the Customer's related information provided in this Form and under the relevant laws, rules and regulations for the purpose of KYC.
6. In case of any change in the Customer's related information provided in this Form, the Customer shall provide necessary details to the Participant/Securities Broker. Upon receipt of instruction from the Customer, the Participant/ Securities Broker shall give effect to such changes in the manner prescribed under the relevant regulations. The Participant/Securities Broker shall have the right to incorporate any change(s) in the Sub-Account Holder(s)/Customer's information in the CDS as sent by NCCPL as CKO and that such change(s) shall be deemed to have been authorized by the Sub-Account Holder(s)/Customer(s).
7. Any change in this Form or these Terms and Conditions by virtue of any changes in the aforesaid legal frameworks shall be deemed to have been incorporated and modified the rights and duties of the Parties hereto.
8. The Securities Broker/Participant and the Customer shall be entitled to terminate this Contract without giving any reasons to each other after giving notice in writing of not less than one month to the other Party. Notwithstanding any such termination, all rights, liabilities and obligations of the Parties arising out of or in respect of Transactions entered into prior to the termination of this Contract shall continue to subsist and vest in /be binding on the respective Parties or his /her/ its respective heirs, executors, administrators, legal representatives or successors in interest and permissible assigns, as the case may be. Closure of Sub-Account of the Customer under this clause shall be subject to the condition that neither any corporate action is pending at that point of time in connection with any Book-entry Securities in the Sub-Account nor any Book-Entry Securities are in Pledged Position and that the outstanding dues, if any, payable by any Party to the other Party is cleared and that the Customer has transferred or withdrawn all the Book-Entry Securities from his/her Sub-Account.
9. Where applicable, the terms "Sub-Account Holder" and "Participant" used in this Form shall include the "Customer" and "Securities Broker/TRE Certificate Holder" respectively.
10. The Securities Broker/Participant should ensure due protection to the Sub-Account Holder / Customer regarding rights to dividend, rights or bonus shares etc. in respect of transactions routed through it 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.

TERMS AND CONDITIONS FOR OPENING AND OPERATIONS OF CDC SUB-ACCOUNT

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. The Registration Details and such other information specified by the Applicant in this form for opening of the Sub-Account shall appear in the Sub-Account to be established by the Participant in the CDS who shall ensure the correctness and completeness of the same.
2. 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 (I) above pursuant to Section 12 and 24 of the Central Depositories Act, 1997. 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.
3. 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/her 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.
4. 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 Central Depositories Act, 1997, 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 2 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 through market-based or Negotiated Deal Market sell transaction and apply the net proceeds thereof towards the adjustment of such outstanding payment, charges and/or losses.
5. 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/her Controlling Account Holder and Participant shall extend full cooperation to the Sub-Account Holder in every regard, without prejudice to its right of recovery of any dues or receivable from the Sub-Account Holder.
6. 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.
7. The Participant is not acting under this application form as Investment Manager or Investment Advisor to the Sub-Account Holder(s).

TERMS AND CONDITIONS FOR TRADING ACCOUNT

1. In case any dispute in connection with the Transaction between the Securities Broker and the Customer is not settled amicably, either Party may refer the same to the Arbitration in accordance with the arbitration procedures prescribed in PSX Regulations. The decision of arbitrators shall be binding on both the Parties subject to their rights of appeal in the manner provided in PSX Regulations, if exercised. The name and other relevant particulars of the Customer shall be placed on PSX's website accessible to Securities Brokers if the Customer fails or refuses to abide by or carryout any arbitration award passed against him/her and the Customer shall have no objection to the same.
2. The assets deposited as margin by a Customer with the Securities Broker shall only be used by the Securities Broker for the purposes of dealing in securities through PSX on behalf of such Customer other than as authorized by the Customer in writing in the manner prescribed under the relevant regulations.
3. The Securities Broker may deposit unutilized funds of the Customers in a separate profit-bearing bank account and shall distribute profit to the Customers out of total profit offered by bank(s) on such funds, unless specified otherwise in writing by the Customer.
4. The Securities Broker shall be authorized to act on the instructions of Customers given through any of the following modes of communication unless specifically designated by the Customer in the Form:
 - (a) Telephonic communication over a dedicated telephone line(s) routed through centralized call recording system;
 - (b) Email/SMS/Fax/Letter on the authorized email address/mobile/fax/address of the Securities Brokers;
 - (c) Verbal orders placed through personal appearance in the registered office subject to receipt of written acknowledgement of such in-person orders by Securities Brokers.
5. The Securities Broker shall make out the Contract Note (physical or electronic form) to the Customers in respect of trades executed on their behalf based on their order instructions not later than the start of next trading day as required under the Securities Brokers (Licensing and Operations) Regulations, 2016 through any of the following acceptable modes of communication unless specifically designated by the Customer in the Form:
 - (a) Recognized courier service;
 - (b) Registered Post at given correspondence address;
 - (c) Facsimile number provided on the Form;
 - (d) By hand subject to receipt/acknowledgement; or
 - (e) Email provided on the Form in case of Electronic Contract Note.

All such transactions recorded by the Securities Broker in the prescribed manner shall be conclusive and binding upon the Customer unless the Customer raises observation relating to unauthorized execution of such transaction or any error in the Contract Note within one trading day of the receipt of such Contract Note. In the event of any dispute relating to order placement or executing of orders, the burden of proof shall be on the Securities Brokers to establish the authenticity of such order placement or execution thereof.

6. In case the Customer fails to deposit additional margins within one trading day of the margin call (in writing), the Securities Broker shall have absolute discretion to liquidate the Customer's outstanding positions including the securities purchased and carried in such account to meet the margin shortfall without further notice to the Customer.
7. The Securities Broker shall be responsible for the payment of any credit cash balance available in the account of the Customer through cross cheques or other banking channels (instruments) only within one (1) trading day of the request of the Customer subject to the maintenance of the margin requirements.
8. The Customer is aware that in the event of his/her non- payment on settlement day against securities bought on his/her account, the Securities Broker may transfer such securities to its Collateral Account under intimation to PSX in the manner as provided in PSX Regulations.
9. The Securities Broker shall accept from the Customer payments through "A/c Payee Only" crossed cheque, bank drafts, pay orders or other banking channels drawn on Customer's own bank account in case of amounts in excess of Rs. 25,000/-. Electronic transfer of funds to the Securities Broker through banks would be regarded as good as cheque. The Securities Broker shall provide the receipt to the Customer(s) in the name of the Customers duly signed by its authorized employee and the Customer(s) shall be responsible to obtain the receipt thereof. In case of cash dealings, proper receipt will be taken and given to the Customer(s), specifically mentioning if payment is for margin or the purchase of securities. The Securities 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 Securities Broker to accept cash in excess of Rs.25,000/-, the Securities Broker shall immediately report within one trading day such instances with rationale thereof to the PSX in accordance with the mechanism prescribed by PSX.
10. The Securities Brokers shall make all payments to the Customers through crossed cheques / bank drafts / pay orders or any other banking channels 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 prescribed under the Securities Brokers (Licensing and Operations) Regulations, 2016.
11. The Securities Broker shall provide to the Customers a quarterly Account Statement which shall include cash and securities ledgers as back office and CDC Sub-Account records along with reconciliation of any differences therein through any of the aforesaid modes of communication. In case of any discrepancy in the ledger statement, the Customer shall inform the Securities Broker within seven (7) days of receipt of the quarterly account statement to remove such discrepancy. Further, the Securities Broker shall provide to a Customer an Account Statement for a period specified by the Customer as and when requested by such Customer.
12. The Customer shall pay all applicable taxes and statutory and regulatory fee and levies and brokerage commissions as are prevailing from time to time in connection with the brokerage services rendered. The Securities Broker/Participant can debit up to the accrued amount of levies and charges the account of the Customers for the above mentioned charges, which shall be clearly detailed in the ledger statement/daily confirmations. Any change resulting in an increase in the brokerage commission shall take effect not earlier than five (5) trading days of intimation of the same to the Customers through acceptable mode of communication prescribed in the Form.
13. The Securities Broker shall append a Risk Disclosure Document with this Form in accordance with the specimen provided by PSX.

TERMS AND CONDITIONS FOR KNOW YOUR CLIENT (KYC) APPLICATION FORM "SAHULAT"

1. All terms herein shall, unless expressly stated otherwise, have the same meaning as ascribed to them in the Centralized KYC Organization Regulations.
2. The Sahulat Account can only be opened by resident Pakistani individuals with Authorized Intermediaries that are Securities Brokers and it shall be subject to following conditions or any other conditions as may be specified by PSX and/or SECP:
 - (a) Only one client code can be tagged by a Securities Broker for Sahulat Account holder in NCSS.
 - (b) Sahulat Account holder shall be allowed to open and maintain one Sahulat sub-account and/or one Sahulat IAS.
 - (c) Resident Pakistani individuals already maintaining Sahulat or normal trading account with Authorized Intermediaries that are Securities Brokers are not eligible for opening Sahulat Account.
 - (d) Sahulat Account cannot be opened with joint holders
 - (e) Sahulat Account holders shall only be eligible to trade in Ready Delivery Contract Market and no transactions in Derivative Contracts and Leveraged Market shall be allowed.
 - (f) Trading by Sahulat Account Holders shall be subject to such position limits as may be notified by PSX from time to time with prior approval of SECP.
3. The Customer agrees that CKO may hold, store and process its KYC Information on the KYC Information System and KYC Database in connection with its KYC functions under the Centralized KYC Organization Regulations. The Customer also agrees that CKO may disclose its KYC Information as permitted under the CKO Regulations and such other disclosures as may be reasonably necessary for compliance with any other laws or regulatory requirements.
4. The Customer acknowledges that KYC Information System and KYC Database, including but not limited to all the information contained therein is the legal property of CKO.
5. These terms and conditions shall be governed by the laws of Pakistan.

DECLARATION & UNDERTAKING

I, the undersigned Applicant, hereby declare/undertake that:

- a) I am not minor;
- b) I am of sound mind;
- c) I have not applied to be adjudicated as an insolvent and that I have not suspended payment to any financial institution and that I have not compounded with my creditors;
- d) I am not an undischarged insolvent;
- e) I confirm and acknowledge that I have received the Terms and Conditions, duly stamped, dated, and signed by the Compliance Officer of Securities Broker/Participant, as an annexure to this Form at the time of signing of this Form and have carefully read, understood and accepted the attached Terms and Conditions which are deemed to be a part of this Form and I hereby unconditionally and irrevocably agree and undertake to be bound by and to comply with the attached Terms and Conditions and any other Terms and Conditions provided to me and placed on the website of the Securities Broker/Participant, which may be notified from time to time with the approval of the concerned authorities modifying or substituting all or any of the attached Terms and Conditions in connection with the opening, maintenance and operation of the Sub-Account / Trading Account, as the case may be;
- f) I hereby confirm that the Terms and Conditions shall constitute a Contract between the Parties hereto and govern opening, maintenance and operations of Trading Account, Sub-Account which shall be binding on the Sub-Account Holder as well as the Securities Broker/Participant and sharing of UIN and KYC information to/from NCCPL and ancillary matters connected therewith;
- g) The information furnished in this form is complete, valid, true and correct to the best of my knowledge and I shall inform the Securities Broker/Participant immediately in writing of any change therein;
- h) In case any of the above information is found to be false or misleading or suspension of any material fact, will render my Sub-Account/Trading Account, as the case may be, liable for termination and I shall be subject to further action under the law;
- i) All the documents filed/submitted by me for the purpose of this application are genuine and valid, bearing genuine signatures and stamps of duly authorized individuals/representatives and are in accordance with the applicable law;
- j) I agree that I shall not place any trading order in case of any concern or disagreement with any Terms and Conditions shared by Securities Broker/Participant and placement of trading order shall mean that I have affirmed/consented with the Terms and Conditions; and
- k) I hereby now apply for opening, maintaining and operating Sub-Account/Trading Account, as the case may be, with the Securities Broker/Participant.

I, the undersigned as Securities Broker/Participant, hereby declare/undertake/confirm that:

- l) I have provided in full the Terms and Conditions attached as an Annexure to this Form to the Customer/Sub-Account Holder at the time of filing of this Form and I hereby further confirm that provided Terms and Conditions are available on our website and update the same immediately upon occurrence of any change in Terms and Conditions. I further confirm that trading account/Sub-Account of customer/Sub-Account Holder shall be activated/opened only upon affirmation of the Terms and Conditions by the customer/Sub-Account Holder; and
- m) I have no doubt or concern that the Terms and Conditions shared with Customer/Sub-Account Holder by us are not updated and has any difference when compared with the specified Terms and Conditions and the attached Terms and Conditions also form part of this Form.

DISCLAIMER FOR CDC ACCESS SERVICES

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 Investor Account Holders/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 www.cdcaccess.com.pk which shall be deemed to have been read and agreed to by the Users before signing this form.

Signatures:

Applicant

Seal/Stamp of the Authorized Intermediary

ADDENDUM OF KNOW YOUR CUSTOMER (KYC) APPLICATION FORM

Do you already have an Account with FSL or any other Securities / Brokerage Firm?

☐ if Yes, then give Account No.

Securities / Brokerage Firm(s):

☐ No

Expected Modes of Transactions:
How you will execute transactions?

☐ Online

☐ Offline

☐ Both

SHARE DETAILS ABOUT YOUR EMPLOYER / BUSINESS:

Nature of Business:

(Please share details about product or service line of your employer or business)

Business Geographies *(If applicable):*

Business geographies refers to any country or region where your employer or business operates, markets or distributes products and services

☐ Sindh

☐ Punjab

☐ KPK

☐ Baluchistan

☐ All of these

☐ Not Applicable

☐ Other *(If any):*

Type of Counter-Parties *(If applicable):*

Counterparty can refer to other party that participates in a financial transaction. This can include deals between individuals, governments, or any other organization

☐ Individual

☐ Private Organization

☐ Government Organization

☐ NGO/Trust

☐ Not Applicable

☐ Other *(If any):*

SOURCES OF FUND / WEALTH FOR STOCK INVESTMENT:

☐ Own Investment

☐ In case of Financial Support *(Please fill the following details)*

Name

Father's / Husband's Name:

Relationship:

CNIC/NICOP/Passport No:

Occupation:

Job Title / Designation:

Name of Employer / Business:

Gross Annual Income *(In figures):*

Address of Employer / Business:

Contact No:

Email:

Signature of Financial Support Person

☐ Other Source of Fund *(Please specify):*

PURPOSE OF THE BUSINESS RELATIONSHIP AND INVESTMENT INTENTION:

☐ Long Term Investment *(More than 12 months)*

☐ Short Term Investment *(less than 12 months)*

☐ Both

☐ Other specify

Signature of the Applicant

Date
(dd/mm/yyyy)

SPECIAL TERMS AND CONDITIONS

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

1. (a) The Account Holder(s) shall pay to the Broker for all purchases removal of the last working session of the clearing of the relevant Exchange, all amounts due in respect of Securities that have been purchased or transactions carried out by the Broker on the Instructions of the Account Holder(s), whether or not the Account Holder(s) has/have received Invoice/Bills in respect thereof. For the purpose of this Clause, a Certificate by the Broker that a particular amount is due in this regard, shall be the conclusive proof thereof and shall be binding upon and not called in question by the Account Holder(s).
- (b) In case of any amount due from the Account Holder(s), as may be certified by the Broker in respect of Securities purchased on account of the Account Holder(s), has not been paid by the Account Holder(s) within the period specified in Clause 1. (a) above, the Broker shall have the right to settle the outstanding amounts out of any money(ies) or margin of the Account Holder(s) lying with the broker or from any money(ies) realized from the sale of Securities or any other property held by the Broker as margin or security and the Broker shall have an unfettered right and power to sell, transfer and dispose of such assets and/or the margin or security as the Broker may deem fit.
- (c) In case of sale contract, the Account Holder(s) shall, before the start of the last working session of the clearing of the relevant Exchange, deposit with the Broker the Securities which he/she they/it has/have instructed the Broker to sell. The Account Holder(s) shall be responsible to ensure that such Securities are in a state and form whereby they can be marketed, delivered and transferred. The Account Holder(s) also undertake(s) to comply with the directions of the Broker for regularization of any defect, mistake, discrepancy or irregularity or any such matter in respect thereof.
- (d) Without prejudice to the Broker's rights, remedies and resources mentioned in any of the preceding Clauses, in the event of the Account Holder(s) failure to make the payment against a purchase contract as mentioned in Clauses 1. (a) & 1. (b) above, or to deliver or deposit the Securities against a sale contract, as mentioned in Clause 1. (c) above, and/or to deposit and maintain the margin as mentioned in the Margin Deposit condition mentioned in this Form, the Broker shall have the right to square up and liquidate the Account Holder(s)' outstanding position(s) and recover all outstanding dues from the Account Holder(s), including losses, damages, costs and expenses which the Broker may suffer or sustain out of any Margin or Securities or Collaterals that may be held by the Broker at the relevant time, The Account Holder(s) shall continue to be liable for any shortfall.
- (e) Without prejudice to the other terms and conditions agreed between Foundation Securities (Pvt) Limited and the client, it is agreed that if any amount(s) standing due against the client is not paid on the due date(s), Foundation Securities (Pvt) Limited shall have the right charge the client late payment charges at a rate to be communicated in writing to the client.
2. **"FSL" reserves the right to transfer holding(s) from the client's CDC sub-account to the client's CDC Investor account at any time when deem necessary by giving on the day prior notice through any mode of communication. The client shall not question or raise objection on such notice. The securities transferred under such notice shall be deemed as lawful and authorized handling of securities. The non-transmittal of aforesaid notice by whatsoever reason shall not make the transfer of securities to the CDC Investor account of client objectionable.**
3. Brokerage rates are provided with SAOF and should sign by the clients, any subsequent change in these rates shall be informed to the client accordingly.
4. FSL also reserved the right to Block, Inactive or Suspend any Account / UIN, if any unreasonable / suspicious activity is found or if the customer fails to update any information as may be requested or if FSL believes that such account may breach regulations or good standard market practice.
5. A Customer's account at Foundation Securities (Pvt.) Limited (FSL) shall become Dormant where no transaction or activity is done in the last five years. In such a case, No withdrawals can be done until the account is Re-activated.

In order to reactivate a dormant account, the customer shall be required to complete all compliance requirements pertains to Know your customer (KYC) / Customer Due Diligence (CDD), as described by the regulator. After due verification and if the FSL is satisfied with the CDD of the customer, the account may be activated. The company reserves the right to waive off any requirement and may also ask for additional documents if it is not satisfied with the provided documents.
6. If any fine is imposed or other adverse action is taken by SECP, PSX and/or NCCPL against Foundation Securities (Pvt) Limited due to non-compliance of any law, including provisions of the relevant Rules and Regulations and/or any direction of SECP, PSX and/or NCCPL, by the Client, the Client shall indemnify and keep indemnified Foundation Securities (Pvt) Limited, its directors and officers against all such losses, costs, expenses, demands, proceedings, suits, damages, litigations, and shall compensate Foundation Securities (Pvt) Limited in all respects to the full extent. In this regard Foundation Securities (Pvt) Limited shall have the right to deduct any amount incurred as such directly from the Client's account.

TERMS AND CONDITIONS FOR ONLINE TRADING

These terms and condition are in addition to the other terms and condition of this Account Opening Form and are applicable only in case of Online Trading:

- (a) Online trading will be permitted through an online trading system of the Broker, which will act for the purpose of buying and selling securities at the Stock Exchange (Online Exchange).
- (b) A password or (personal identification number) PIN will be issued to the Account Holder(s) by the Broker to enable the Account Holder(s) have an access to and use this Account for online trading. The Password/Pin may be communicated through email or through any courier to the Account Holder(s) at his/her/their/its own risk. The Account Holder(s) shall not disclose the Password/PIN to any person and shall take every reasonable precaution to prevent discovery of the Password/PIN by any other person. The Account Holder(s) shall immediately change the password/PIN as soon as it is received from the Broker.
- (c) Broker may electronically transfer delivery of confirmation, statements and other notices in connection with Electronic / Online Trading. It shall be the responsibility of the Account Holder(s) to review, upon receipt of e-mails, confirmation statement, notices and maintenance calls whether delivered by mail, e-mail or electronic terminal at the discretion of the Broker. If the Password/PIN is disclosed to any third party the Account Holder(s) should immediately notify the same to the Broker. The Account Holder(s) will immediately notify of any loss, theft or unauthorized use of his/her/their/its account number and password/PIN. The Account Holder(s) shall immediately notify and change his/her/its/their e-mail or other address as mentioned in the Account Opening Form.
- (d) All risks connected and involved with Electronic / Online Trading will be assumed fully by the Account Holder(s). Neither the Broker nor any of its directors or officers would be responsible or liable in any manner for any losses or damages that may be suffered by the Account Holder(s) including those due to the misuse of the Account Holder(s) Password or PIN, hacking of lines, outages and slowdowns in the internet connection and piracy of Account Holder(s) information and affairs by unscrupulous persons.
- (e) The Broker may at its discretion elect with or without notice to square off the Account Holder(s) Account and make obligations in the Account immediately due and payable by the Account Holder(s) without assigning any reason.
- (f) All other term and conditions including Special Terms and Condition and CDC Terms and Conditions of this Account Opening Form shall be equally applicable to Online Trading Account(s).

Main Applicant

Participant/TREC Holder

TERMS AND CONDITIONS FOR SHARIAH COMPLIANT TRADING

These terms and conditions are in addition to the other terms and condition of this Account opening Form and are applicable only in case of Shariah Compliant Trading:

1. Selling is only allowed on or after settlement of purchase trade.
2. Only scrip defined under PSX - KMI All Share Index are allowed to trade.
3. Non-Shariah Compliant (except for PSX - KMI All Share Index) shares are not allowed to be purchased.
4. Day-trade & Short Sell without possession of the inventory of the same type of shares in same quantity, are not allowed.
5. The restriction on sale of Right issue is imposed.
6. Deliverable Futures Contract (DFC) is not allowed to be traded in Shariah Compliant Trading window.
7. Selling of non-compliant shares other than short sell should be allowed to enable the investor to dispose off their investment if any stock become non-compliant.

PROFIT SHARING AGREEMENT

Would you like to avail Foundation Securities Pvt. Ltd. Profit Sharing arrangement.

☐ Yes

☐ No

The Broker shall have complete discretion as to keeping of unutilized funds of the Account Holder(s) in a current bank account, or in a profit bearing bank account. In case the broker as its sole discretion decides to keep the unutilized funds of the Account Holder(s) in a profit bearing bank account of the Broker's choice, funds of the various other account holders of Broker will also be kept in such account and the Broker will distribute 2/3 of the amount of net profit received on prorated basis (subject to withholding tax) to the actual number of days during which funds of the Account Holder(s) remained unutilized. Such amount will be credited in the ledger account of the Account Holder(s) on quarterly basis. The Account Holder(s) shall however not question the rate of profit or the computation of the Account Holder(s)' share by the broker.

Signature

Common Reporting Standard (CRS) / Foreign Account Tax Compliance Act (FATCA) (For Individual Clients)

Common Reporting Standard (CRS): Organization of Economic Cooperation and Development (OECD) has developed a common framework known as Common Reporting Standard (CRS) for Automatic Exchange of information (AEOI). Foundation Securities Private Limited is required to comply with the local applicable CRS requirements in accordance with relevant local laws and required to collect and report certain information about an account holder's tax residence. Each jurisdiction has its own rules for defining tax residence, and jurisdictions have provided information on how to determine if you are resident in the jurisdiction on the following website: [OECD AEOI Portal]. In general, you will find that tax residence is the country / jurisdiction in which you live. Special circumstances may cause you to be resident elsewhere or resident in more than one country/jurisdiction at the same time (dual residency). If you are a U.S. citizen or tax resident under U.S. law, you should indicate that you are a U.S. tax resident on this form and you may also need to fill in an IRS W-9 form. For more information on tax residence, please consult your tax adviser or the information at the OECD automatic exchange of information portal.

If your tax residence is located outside the country/jurisdiction where the FI is maintaining the account is located we may be legally obliged to pass on the information in this form and other financial information with respect to your financial accounts to local tax authorities in Pakistan and they may exchange this information with tax authorities of another jurisdiction or jurisdictions pursuant to intergovernmental agreements to exchange financial account information.

Applicant Information	Account Holder
Name:	
Town / City of Birth:	
Country of Birth:	
Nationality:	
Current Residence Address: <small>(Please fill only if different from mailing address as provided in the KYC application form)</small>	
Please confirm the following	
(a) - Do you hold multiple Nationalities (If yes, please indicate) <input type="checkbox"/> Yes <input type="checkbox"/> No (b) - Are you a Resident of any country other than Pakistan? <input type="checkbox"/> Yes <input type="checkbox"/> No In case of Yes, you are required to complete Part 1 (In case of US Status, Please complete Part 2) In case of No, you are no longer required to complete this form.	

Part 1 – Country of Residence for Tax Purposes and related Taxpayer Identification Number (“TIN”)

Please indicate countries where Account Holder is tax resident and TIN for each country or equivalent number. If a TIN is unavailable please provide the appropriate reason A, B or C as explained below:

Reason A - The country/jurisdiction where the Account Holder is resident does not issue TINs to its residents;

Reason B - The Account Holder is unable to obtain a TIN or equivalent number (Please explain reason of not obtaining TIN);

Reason C - No TIN is required for that country/ jurisdiction.

Please confirm the following	Account Holder
Country / Jurisdiction of Tax Residence	Country 1.
	Country 2.
	Country 3.
Taxpayer Identification Number or Equivalent Number (“TIN”)	Country 1.
	Country 2.
	Country 3.
If no TIN is available (Please mention reason A, B or C)	Country 1.
	Country 2.
	Country 3.
Please explain why you are unable to obtain a TIN if you selected Reason B above.	Country 1.
	Country 2.
	Country 3.

Common Reporting Standard (CRS) / Foreign Account Tax Compliance Act (FATCA) (For Individual Clients)

Foreign Account Tax Compliance Act (FATCA): The Foreign Account Tax Compliance Act (FATCA) is a part of US legislation enacted by the US Congress to prevent tax evasion by US persons who conceal offshore assets from the IRS (US Tax Authority). The objective of FATCA is to obtain information on certain US persons with income or assets outside the United States for the purpose of increasing compliance with US tax laws. The purpose of this form is to gather relevant information for our Global Compliance reporting matters.

Part 2 – For US Status Information	Account Holder	
Name:		
Please confirm the following	Yes	No
1. Are you a US Citizen / a US Resident / a US Green Card Holder? • If yes, please provide Form W-9.	<input style="width: 50px; height: 25px;" type="text"/>	<input style="width: 50px; height: 25px;" type="text"/>
2. Were you born in US? • If yes, please provide Form W-9. • If yes, But you claim being a non-US person, please provide i. Certificate /Written Explanation of Revocation of US Nationality ii. A non-US passport iii. Signed Form W-8BEN	<input style="width: 50px; height: 25px;" type="text"/>	<input style="width: 50px; height: 25px;" type="text"/>
3. Do you have a US address or telephone number?	<input style="width: 50px; height: 25px;" type="text"/>	<input style="width: 50px; height: 25px;" type="text"/>
4. Do you have any Power of Attorney/ Authorized Signatory / Mandate holders having US address?	<input style="width: 50px; height: 25px;" type="text"/>	<input style="width: 50px; height: 25px;" type="text"/>
5. Will there be instructions to transfer funds to U.S. accounts or directions regularly received from a U.S. address?	<input style="width: 50px; height: 25px;" type="text"/>	<input style="width: 50px; height: 25px;" type="text"/>
6. Will there be address on File which is "in care of" or "hold mail" or U.S. P.O. Box and/or U.S. telephone number?	<input style="width: 50px; height: 25px;" type="text"/>	<input style="width: 50px; height: 25px;" type="text"/>
For Question 3 and 6 above: • If Yes and you accept being a US person: Provide form W-9 • If Yes and you claim being a non-US person: Provide an ID Document (CNIC/SNIC/NICOP) showing your permanent address (which should not be a US address), or provide form W-8BEN		

Account Holder's Declaration

I/we hereby confirm the information provided above is true, accurate and complete. I/we hereby provide my/our consent to Foundation Securities (Pvt.) Limited (FSL) or any of its affiliates to disclose and furnish and share information pertaining to my/our account to domestic or overseas regulators or tax authorities where necessary to establish our tax liability in any jurisdiction.

I/we also authorize FSL to deduct withholding tax from my/our account when required to do so by domestic or overseas regulators or tax authorities or pay out, from my/our account(s) such amounts as may be required according to applicable laws, regulations, agreements with regulators or authorities and directives.

I/we shall indemnify and hold FSL harmless against any claim, damages, costs, expenses and other direct and/or indirect consequence of disclosing, furnishing and sharing any information with any domestic or overseas regulators or tax authorities.

I/we agree and undertake to notify the FSL within thirty (30) calendar days if there is a change in any information which we have provided above.

I/we agree that FSL may, either at its own instance or of any court, close, freeze or suspend dealings on the account, without prior notice to the customer and without being liable for any duty it may owe to the customer. FSL reserves the right, at its sole discretion and without notice to the customer, to close the account, which is not being operated in a manner satisfactory to FSL or for any other reason whatsoever, without disclosing the reason for closure of the said account to us.

Signatures:

Account Holder's Signature

Date

POLITICALLY EXPOSED PERSONS (PEPs) DECLARATION FORM

Politically Exposed Persons (PEPs) means an individual who is or has been entrusted with a prominent public function either domestically or by a foreign country, or in an international organization and includes but not limited to:

- (i) for foreign PEPs, Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations and political party officials;
- (ii) for domestic PEPs, Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, political party officials;
- (iii) for international organization PEPs, members of senior management or individuals who have been entrusted with equivalent functions.

“Close Associate” of a Politically Exposed Person (PEP) means

- (i) an individual known to have joint beneficial ownership of a legal person or a legal arrangement or any other close business relations with a PEP;
- (ii) any individual(s) who have beneficial ownership of a legal person or a legal arrangement which is known to have been set up for the benefit of a PEP;
- (iii) an individual who is reasonably known to be closely connected with the PEP for any other reason, including socially or professionally.

“Family Member” of a Politically Exposed Person (PEP) includes

- (i) a spouse of the PEP;
- (ii) lineal ascendants and descendants and siblings of the PEP.

Part 1 – Applicant Information	Account Holder
Please confirm the following: Have you been entrusted with a prominent public function either domestically or by a foreign country, or in an international organization in past or holding current position?	
• Heads of State or of government, senior politicians	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Senior politician/government official	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Judicial official e.g. Magistrate, District, Sessions, High Court or Supreme Court Judge etc.	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Military official.	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Employee of state owned corporations e.g. OGDC, AGPR, PIA, WAPDA etc.	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Political party official.	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Senior management / member of board of an international organization.	<input type="checkbox"/> Yes <input type="checkbox"/> No
(If YES, please provide details): Local <input type="checkbox"/> Foreign <input type="checkbox"/> Currently holds position <input type="checkbox"/> Previously held a position <input type="checkbox"/>	
Designation/Grade: _____ Department/Organization: _____	
Part 2 - Relationship	
Are you a close family member or closely associated, entrusted with prominent specified above public functions by a foreign country or domestically in past or holding current position?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
(If YES, please provide details of PEP) Local <input type="checkbox"/> Foreign <input type="checkbox"/> Currently holds position <input type="checkbox"/> Previously held a position <input type="checkbox"/>	
PEP Name (as per CNIC/NICOP/Passport) Mr. / Mrs. / Ms. _____	
Designation / Grade: _____ Department/Organization: _____	
Relationship with client : _____	
I / We hereby undertake to inform the Broker of any change in the status specified above at any time in the future.	
_____ Account Holder's Signature	_____ Date

FOR OFFICIAL USE

Sales Person Name: _____ Signatures: _____

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 of 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

- 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
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

- 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);
- 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;
- 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;
- The customers should match the information as per the contract notes with 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.

Dated: _____

Signatures:

Main Applicant

Participant/TREC Holder

(FOR OFFICIAL USE ONLY)

Account No.:

CUSTOMER RISK PROFILING (CRP) For Internal use of Foundation Securities (Private) Limited		
	RISK CLASSIFICATION	KYC REQUIREMENTS
G1	Low Risk	Reduced KYC requirements shall be applicable.
G2	High risk	Securities broker can open Sahulat Account of only those applicant who are identified as 'low risk' through risk assessment.
G3	High risk	Account cannot be opened as Regulatory have not been fulfilled.

Account Holder			
Customer Full Name:			
1.	Customer unable to provide identity document and information about source of funds / Income	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
2.	Is the customer non-resident Pakistani?	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
3.	Is the customer a foreign National?	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
4.	Is there any reason to believe that the person has been refused account opening by another financial institution / Brokerage House?	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
5.	Is the circumstances where customers and transactions are linked to the warning signs or "red flags" provided by SECP and other regulatory authorities?	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
6.	Is the customer, any of the financial supporter of the client, beneficial owner or person acting on behalf of the customer, a politically exposed person (PEP), family member of a PEP or close associate of PEP?	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
7.	Is the customer, nominee, financial supporter of the customer, beneficial owner, person acting on behalf of the customer, or connected party of the customer matches the details with applicable sanctions list?	<input type="checkbox"/> Yes	High Risk (G3)
		<input type="checkbox"/> No	Low Risk (G1)
8.	Performed further screening of details of customer, nominee, financial supporter of the customer, beneficial owners, person acting on behalf of the customer, or connected party of the customer against other information sources, for example, Google Are there adverse news or information arising?	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
9.	Is the customer, nominee, financial supporter of the customer, beneficial owners or person acting on behalf of the customer from or based in a country or jurisdiction:		
(a).	Identified as High-risk jurisdiction by the FATF and for which entity should give special attention to business relationships and transactions. (Countries having serious strategic deficiencies to counter money laundering, terrorist financing, and financing of proliferation)	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
(b).	The jurisdictions which have been identified for inadequate AML/ CFT measures by FATF / credible sources or called for by FATF for taking counter-measures,	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
(c).	Countries/ Geographies identified by recognized sources as having significant levels of organized crime, corruption or criminal activity	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
(d).	Countries / Geographies identified by recognized sources as providing funding or support for terrorist activities or have terrorist organizations operating within them	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
(e).	Countries subject to sanctions, embargos or similar measures issued by international authorities, for example, the United Nations	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
(f).	Belongs to porous borders / high-risk areas in Pakistan by recognized sources / SECP and other regulatory authorities.	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)

CUSTOMER RISK PROFILING (CRP)

10.	Significant and unexplained geographic distance between residence or business / job location of the customer and the location of the FSPL office	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
11.	I hereby declare that I have met with Account Holder(s) at;	Yes	No
(a).	Foundation Securities Office (Date & Time):	<input type="checkbox"/>	<input type="checkbox"/>
(b).	Customer's Office / Business address (Date & Time):	<input type="checkbox"/>	<input type="checkbox"/>
(c).	Customer's mailing address, as per account opening form (Date & Time):	<input type="checkbox"/>	<input type="checkbox"/>
(d).	Verification through video like Skype, WhatsApp etc. (Date & Time):	<input type="checkbox"/>	<input type="checkbox"/>
12.	If customer not met or verification through video not performed	<input type="checkbox"/> Yes	High Risk (G2)
		<input type="checkbox"/> No	Low Risk (G1)
13.	Overall Risk Classification:	<input type="checkbox"/> Low Risk (G1) <input type="checkbox"/> High Risk (G2) <input type="checkbox"/> High Risk (G3)	
14.	Accounts Opening Application Status:	<input type="checkbox"/> Approved on the basis of G1 <input type="checkbox"/> Rejected on the basis of G2 <input type="checkbox"/> Rejected on the basis of G3	
15.	Reason for Customer Risk Rating:		
16.	If Rejected, then Reason of Rejection:		
17.	<div style="display: flex; justify-content: space-between;"> <div style="width: 15%;">Completed by:</div> <div style="width: 40%;">Name of Sales person / Agent:</div> <div style="width: 20%;">Signature</div> <div style="width: 25%;">Date</div> </div>		
18.	<div style="display: flex; justify-content: space-between;"> <div style="width: 15%;">Checked by:</div> <div style="width: 40%;">Name of compliance person:</div> <div style="width: 20%;">Signature</div> <div style="width: 25%;">Date</div> </div>		
19.	<div style="display: flex; justify-content: space-between;"> <div style="width: 15%;">Approved by:</div> <div style="width: 40%;">Name of compliance person:</div> <div style="width: 20%;">Signature</div> <div style="width: 25%;">Date</div> </div>		

COMMISSION SLAB			
Commission Slab	Edge Prime	Edge Value	Shariah Edge
0.01 - 1.99	3 Paisa	3 Paisa	3 Paisa
2.00 and above	5 Paisa or 0.17% Whichever is higher	3 Paisa or 0.15% Whichever is higher	3 Paisa or 0.15% Whichever is higher

Commission will be charged on below mention different credentials :

- Ready Market, purchase or sale and one side commission charged for Intra-Day only
- Deliverable Future market, purchase or sale and one side commission charged for Intra-Day only and Weekly rollover Commission for Open position

Please (tick appropriate box)

EDGE Prime ☐

EDGE Value ☐

EDGE Shariah ☐

Signature of Account Holder

FOR INTERNAL USE OF FOUNDATION SECURITIES (PVT.) LIMITED		
Title of Account:		
A/c No.:		
INITIAL DEPOSIT (Please attach copy of instrument)		
1. PKRS.	vide Cheque / P.O / DD / TT #:	dated:
Remarks (if any):		
Sales Person	Head of the Branch	Head of Operations
Name:	Name:	Name:
Signature:	Signature:	Signature:



A Fauji Foundation Group Company

FOUNDATION SECURITIES (PRIVATE) LIMITED

Corporate Member: Pakistan Stock Exchange Limited
TREC # 142 S.E.C.P Broker Registration #: BRK - 192

REGISTERED OFFICE

Ground Floor, Bahria Complex II, M.T. Khan Road, Karachi-74000.
Toll Free: 0800 TRADE (0800 87233) Fax: (92 21) 3561 2262

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Room # 127, 3rd Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.
Tel: (92 21) 32462835-8 Fax: (92 21) 32462696

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Office No. 1212, 12th Floor, ISE Towers, Jinnah Avenue, Islamabad.
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