

Sahulat Accounts
Frequently Asked Questions (FAQs)
on
Anti Money Laundering and Countering of Terrorism
& Proliferation Financing (AML/CFT/PF)



SECP

**SECURITIES AND EXCHANGE
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SECP is pleased to publish this set of Frequently Asked Questions (FAQs) on applicability of anti-money laundering and countering the financing of terrorism (AML/CFT) requirements as well as general questions regarding the operation of Sahulat Accounts offered by Securities Brokers.

Note: *The following FAQs have been prepared for illustrative purposes only. These FAQs do not constitute legal advice or have any legal merit on the subject. In the event of any inconsistency between these FAQs and any laws, rules or regulations the provisions of such laws, rules or regulations shall prevail.*

1. Who can open Sahulat Account?

All resident Pakistani individual customers can open a Sahulat Account in a single capacity.

2. Can Sahulat Account be opened using Online Account opening facility?

Yes, Securities Brokers are encouraged to provide digital /online account opening facilities to their customers.

3. What is the maximum investment amount that can be maintained in a Sahulat Account?

The maximum investment amount that can be maintained in a Sahulat Account is PKR 800,000.

4. Which markets can a Sahulat Account holder trade?

Sahulat Account holder can only trade in Regular market. Trading in leverage and futures markets is not permitted for a Sahulat Account holder.

5. What are the documents required for opening Sahulat Account?

Computerized/Smart National Identity Card (CNIC/SNIC may be used as a proof of identity for opening of Sahulat Account).

6. What evidence for source of income is required from customer for Sahulat Accounts?

No additional document is required from customer for establishing his /her source of income where customer is identified as a low risk customer.

7. What are the documents required for opening Sahulat Account in case of minor?

In case of minor accounts, the security broker shall obtain photocopy of Form-B, Birth Certificate or Student ID card (as appropriate) from the minor. In addition, photocopy of identity document of the guardian shall be obtained.

8. Can Joint account holders open Sahulat Account?

No, Joint accounts are not allowed for Sahulat Account.

9. Can more than One (01) Sahulat Account of the same customer be opened?

No, it cannot be done. Neither with the same broker nor with another.



10. If a customer already has a normal trading account with a Securities Broker, can he/ she open Sahulat Account as well?

Any person that already has a normal trading account with a Securities Broker cannot open a Sahulat Account with any Securities Broker. Further, an existing normal trading account cannot be converted into a Sahulat Account. The existing system has checks in place to restrict any securities broker from opening Sahulat Account of a customer who already has a normal trading account.

11. To perform risk assessment for a Sahulat Account; can a Securities Broker ask for additional documents from the customer?

Based on the characteristics of Sahulat Account, the account can be marked as low risk. However, to ensure compliance with FATF standards and AML/CFT regulatory framework for SECP regulated entities, it is essential that risk be evaluated in terms of risk posed by the elements of risk namely; type of customer, product, delivery channel and geography to determine the appropriate level of risk.

This aforementioned information is already available in Sahulat Account Opening form submitted with the Securities Broker and it is not mandatory to obtain any further document from customer to perform this risk assessment.

12. As per AML/CFT Guidelines certain customers like high net worth individuals (HNWI) have been indicated under high risk elements for adoption of certain enhanced due diligence measures. Can brokers categorize such accounts in appropriate risk category based on holistic approach?

Sahulat Account may be treated as low risk as the same has been restricted through transaction value limits and other controls. However, Securities Broker may account for other risk factors like type of customer, products, delivery channel and geography and may take appropriate decision on risk-sensitive basis. The final risk rating to the customer is assigned based on all the aforesaid risk factors, and if the risk level is assessed as low, a Sahulat Account may be opened.

13. Can Sahulat Account be opened for Individuals who are not Ultimate Beneficial Owners [“UBO”] of their accounts?

Yes, however, the Securities Broker shall verify the identity of the UBO from NADRA Verisys/Biometric. In addition, Securities Broker shall perform simplified KYC of the UBO.

14. Why Simplified Due Diligence measures are applied by the Securities Brokers for Sahulat Accounts of low risk customer?

Simplified due diligence is the lowest level of due diligence that can be conducted on a customer. This is appropriate where there is low risk of products/services or potentially getting involved in money laundering or terrorist financing (ML/TF). Since, Sahulat Accounts, as a product, are considered to carry low ML/TF risk due to multiple restrictions including a financial threshold and the restriction to operate only one such account across all Securities Brokers, simplified due diligence measures can be applied by the Securities Brokers.

15. Is it permissible to allow transactions beyond the specified limits in customer’s Sahulat Account?

No, it is not permissible to purchase securities beyond the prescribed limit, however, the client may sell securities, if the portfolio value increases over time.

16. Is the Securities Broker obligated to decline any buy order / transaction in Sahulat Account in excess of specified limits?



Yes, the Securities Broker has to ensure that all restrictions are observed on Sahulat Account. The same has been included through an appropriate clause regarding limited mandate of Sahulat Account in the Account Opening Form.

17. If a Sahulat Account holder wants transactions higher than specified limits for a Sahulat Account, does the customer have such an option?

Sahulat Account is subject to maximum investment limit, however, if customer wants to enhance his / her investment amount beyond the prescribed limit for a Sahulat Account; he/she has the option to convert his/her Sahulat account into a normal trading account after fulfillment of the relevant requirements.

18. Will statements be provided to Sahulat Account customers and at what frequency?

Securities Brokers shall provide the customer a quarterly account statement based on cash and securities ledgers and CDC sub-account records. In case of any discrepancy, the customer shall inform the Securities Broker within seven (7) days of receipt of the quarterly account statement. Moreover, the Securities Broker shall also provide an account statement for a period specified by the customer, as and when, requested by such customer.

19. Can an account that was opened before 2012 (pre-CKO implementation) be classified under or considered a Sahulat account if it meets the requirements prescribed for a Sahulat Account?

No. However, such accounts can be classified as low risk normal accounts, and same level of simplified due diligence (SDD) will be applied.

