

Investor Awareness Brochure - SECP

With whom to trade:

- To ensure protection against fraud and misrepresentation please trade only through registered brokers and agents.
- Verify brokerage houses/brokers and agent registration. SECP has uploaded a list of registered brokers for the Stock Exchanges and the Commodity Exchange on its website (www.secp.gov.pk). It is important to note that the registration of all the brokers and agents is valid for one year and is subject of annual renewal.
- Make regular enquiries from your broker/agent regarding the status of their registration/renewal and if required, look for the registration date on its certificate of registration.
- If you come across any un registered/illegal broker/agent, please report the same immediately to the SECP as it is in your own interest and in the general interest of other investors.

Opening Account with the Broker

- While opening an account with any registered broker, you are advised to read carefully all the instructions printed on the Account Opening Form, and if there is any uncertainty regarding any clause, always consult the broker. If your query is not addressed satisfactorily, you can contact the Exchange and/or the SECP.
- Please note that Account Opening Form of the brokerage houses should include the basic clauses as framed in the Standardized Account Opening Form included in General Regulations of the Exchanges.
- While filling the Account Opening Form please be vigilant.
- Never sign the authority letter allowing the broker and/or agent to transact on your behalf, unless and until you can clearly identify the benefits of doing so and you really wish to do so.
- Obtain duly signed and certified copy of the Account Opening Form from the broker (ITS YOUR RIGHT) and always keep it for your record.
- Obtain the Sub Account number allotted to you at the time of account opening.
- Please also note that the Sub Account Opening Form does not include a general purpose authorization to the brokers to manage their client's securities, however, specific authorization for managing any securities may be given by the client.

Deposits with the Broker/Agent

- While making any payment to the broker, always use banking instruments such as Cheques, Pay Orders etc and keep receipts of all such transactions.
- Always make payment through cross cheques
- Never pay any amount without receipt. The receipt should contain the name of the brokerage house and its registered address, a preprinted serial number, name and signature of authorized person and stamp of the brokerage house. It is your basic right to obtain the receipt for any amount deposited.

Do Not sign Blank Documents/Cheque

- Never sign any document or Cheque that is blank. Always sign the documents only when you have read whatever is written on it and are in agreement with the same. Always maintain copy of the signed document.

Receipt of Trade Confirmation

- Ensure that you receive trade confirmation slip on the second day of trade execution within 48 hours and report any discrepancy/disagreement to the brokerage house/broker
- Check for the following on trade confirmation slip
 - a) Name and number of securities;
 - b) Date on which the order is executed;
 - c) Nature of transaction (spot, ready, future and also whether bought or sold);
 - d) Price at which the transaction is executed;
 - e) Commission charged by the broker;

Insist on Periodical Statement of your Account

- Ask your broker to provide periodical ledger statement of your account. Check the statement thoroughly and immediately report any discrepancy/disagreement to the broker/agent.

Monitoring Trading Activity

- Monitor your trading activity through the DIN Information System provided by NCCPL, free of any charges.
- The facility enables eligible UIN holders to view their UIN level information relating to trade, settlement and UIN code registration details as per their needs. The above information is accessible in any one of the following ways:
 1. By requesting through Broker Clearing Member;
 2. By directly requesting in writing to NCCPL;
 3. Provision of information through custodian banks.
- You would be able to log into the database maintained exclusively for such facility through user ID and password. This facility will remain available through the NCCPL website on 24/7 basis.

Payment of Margins

- Pay all the margins/debit balances arising out of your transactions immediately, failing which the broker/agent may sell off your holdings to settle the margin/debit balance.
- Do not make Fixed Return Investments with the Brokers
- The brokerage houses are not allowed to accept deposits or provide fixed return on deposit.

Other Cautionary Measures

- Prefer to conduct all communication with the brokerage houses/brokers and Exchanges through their landline numbers as all calls through such numbers are recorded to aid in the verification process.
- Always obtain receipt of your complaint/disagreement reported to the broker and keep pursuing. In case of disagreement with the agent of a brokerage house always lodge your complaint in writing to the management of the brokerage house.
- To gain a better understanding of the legal framework under which your trades are conducted, familiarize yourself with the rules, regulations and circulars by the exchange and the SECP.

- Always make informed decisions and try to avoid speculations.
- Opening Account with Central Depository Company of Pakistan Limited
- CDC sub accounts are maintained by the brokers on behalf of its clients, therefore the client cannot operate this account directly.
- Another type of account is CDC Investor Account which is intended to allow investors to directly open and maintain accounts with CDC for safe custody and settlement of securities.
- Keep track of your CDC account position by subscribing the Interactive Voice Response System with call center support through toll free number (0800- 23275) or www.cdaccess.com.pk.
- While filling CDC account opening form always opt for CDC access - SMS facility, which is free of any cost.

Lodging Complaint

In case of any issue with the broker / agent, investors are advised to immediately lodge complaint with their respective brokerage house and in case of non-resolution report the same to the Exchange within 15 days of lodging the claim with the broker.

Please ensure that all claims are lodged in writing and receipt of the same has been attained from the Broker.

In case of complaint against the Exchange the Investor Complaints Wing at the Securities and Exchange Commission of Pakistan can be approached at the address mentioned at the end of this document.

Visit SECP website for Further Details

The SECP has uploaded a separate link for investors on its website (www.secp.gov.pk/investorguide), where important information/links can be found. These include:

- List of Registered Brokers/Agents of the Exchanges.
- Sample Forms for Account Opening and Sub-Account Opening.
- Investor Complaint Forms
- Investors' Guide and FAQs
- List of Defaulter Brokers of PSX.
- Links to Regulations for PSX
- Other Updates and Information
- Important Contact Information

Important Contacts

Securities and Exchange Commission of Pakistan
 NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad
 Phone: +92 (51) 111-117-327
 Website: www.secp.gov.pk
 Email: complaints@secp.gov.pk

The Paksitan Stock Exchange (Guarantee) Limited,
 Stock Exchange Building, Stock Exchange Road,
 Karachi
 Phone: +92 (21) 111-001-122
 Website: www.psx.com.pk
 Email: info@psx.com.pk

National Commodity Exchange Limited,
 9th Floor, PRC Towers, 32-A Lalazar Drive,
 M.T. Khan Road, Karachi.
 Phone: +92 (21) 111-623-623

Central Depository Company of Pakistan (CDCPL)
 Toll Free Number 0800 - CDCPL (23275)
 Email: info@cdcpak.com