

# Terms & Conditions

*Governing the opening, maintenance, and operation of your Trading Account, CDC Sub-Account, and Online Trading facilities*

## 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, Derivative Contracts and deals (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, the Securities Brokers (Licensing and Operations) Regulation, 2016 and Professional Clearing Members Regulations, 2020 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 KYC application form and/or CRF 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. The Securities Broker and Participant shall ensure provision of copies of all the relevant laws, rules and regulations at its office for access to the Sub- Account Holder(s) and Customer(s) during working hours. The Securities Broker and Participant shall ensure that its website contains hyperlinks to the websites/pages on the website of PSX, CDC, NCCPL and the SECP displaying above said regulatory framework for reference of the Customers/ Sub- Account Holder.
4. In case of a Joint Account, all obligations and liabilities of the Applicants under these Terms and Conditions shall be joint and several.
5. These Terms and Conditions shall be binding on the nominee, legal representative, successors in interest and/or permitted assigns of the respective Parties hereto.
6. The Securities Broker and 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.
7. Subject to applicable laws, the Securities Broker and Participant shall maintain strict confidentiality of the Customer related information and shall not disclose the same to any third party. However, in case the SECP, PSX, CDC or any competent authority under the law, as the case may be, requires any such information, the Securities Broker and Participant shall be obliged to disclose the same for which the Customer shall not raise any objection whatsoever.

8. The Securities Broker and 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.

9. In case of any change in the Customer's related information provided in this Form, the Customer shall provide necessary details to the Participant and Securities Broker. Upon receipt of instruction from the Customer, the Participant and Securities Broker shall give effect to such changes in the manner prescribed under the relevant regulations. The Participant and 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). In case of any change in the Participant's and Securities Broker's address or contact numbers or any other related information, the Securities Broker and Participant shall immediately notify the Sub-Account Holder(s)/Customer(s).

10. 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. Such change(s) shall be immediately communicated by the Securities Broker and Participant to the Sub-Account Holder(s)/Customer(s).

11. The Securities Broker and 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.

12. Where applicable, the terms "Sub-Account Holder" and "Participant" used in this Form shall include the "Customer" and "Securities Broker/TRE Certificate Holder" respectively.

13. The Securities Broker and 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.

14. The Participant and Securities Broker shall ensure that duly filled in and signed copy of this form along with the acknowledgement receipt is provided to the Sub-Account Holder.

## **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. The Book-entry Securities owned by the Sub-Account Holder shall be exclusively entered in the Sub-Account of such Sub-Account Holder.
3. 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 (E) 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.
4. Participant shall be liable to give due and timely effect to the instructions of the Sub-Account Holder given in terms of the above-referred authorization with respect to transfer, pledge and withdrawal of Book-entry Securities entered in his/her Sub-Account under the control of the Participant. Such instructions, among other matters, may include closing of Sub-Account.
5. 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.
6. 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 3 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 or in accordance with the Procedures and apply the net proceeds thereof towards the adjustment of such outstanding payment, charges and/or losses.
7. 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.
8. 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.
9. 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 the 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 abovementioned 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.

## **ONLINE TRADING - Terms and Conditions**

Yasir Mahmood Securities (Pvt.) Limited offers online trading facility to its clients. In case online trading facility is allowed to Account Holder(s), the following additional terms and conditions will become applicable.

### **1. Terms and Conditions for Online Trading:**

a) Online trading will be permitted through an online trading system of Yasir Mahmood Securities (Pvt.) Ltd., which will act as the Broker for the purpose of buying and selling securities, including COT at the Stock Exchange (Online Exchange) and wherever the term Yasir Mahmood Securities (Pvt.) Limited is used in the Special Terms and conditions for online trading, it shall deem to mean the Broker.

b) A password or (personal identification number) PIN will be issued to Account Holder(s) by Yasir Mahmood Securities (Pvt.) Limited to enable the Account Holder(s) to have an access to and use this Account for online trading. The Password/PIN may be communicated through e-mail 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 Yasir Mahmood Securities (Pvt.) Ltd.

c) Yasir Mahmood Securities (Pvt.) Limited 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, margin and maintenance calls whether delivered by mail, e-mail or electronic terminal at the discretion of Yasir Mahmood Securities (Pvt.) Ltd. If the Password/ PIN is disclosed to any third party the Account Holder(s) should immediately notify the same to Yasir Mahmood Securities (Pvt.) Limited. 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 Application Form.

d) All risks connected and involved with Electronic/Online Trading will be assumed fully by the Account Holder(s). Neither the Yasir Mahmood Securities (Pvt.) Limited 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) Yasir Mahmood Securities (Pvt.) Limited may at any time and from time to time require additional margin in the Account (in cash or Securities) before executing any Orders or undertaking any Transactions through Online Facility on account of the Account Holder(s). The amount and timing may vary depending on factor solely at Yasir Mahmood Securities (Pvt.) Limited's discretion. Yasir Mahmood Securities (Pvt.) Limited shall have the right to liquidate the Account Holder(s) Trading position(s) if the Account margin is insufficient at any time.

f) Yasir Mahmood Securities (Pvt.) Limited 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 ( See margin disclosure statement annexed hereto).

## **DECLARATIONS;**

2. The Account Holder(s) understand(s) that the share trading business carries risk and subject to the due diligence on part of the Broker may incur losses for which, the Account Holder(s) shall not hold the broker responsible. The Account Holder(s) further acknowledge(s) that the prices of the Securities do fluctuate abruptly and instantly and investments in Securities may experience abrupt upward and downward movements and may even become valueless. The Broker shall not be liable for any fluctuations in the prices of Securities due to purchase and sale on the day of the Transaction and the net price mentioned in confirmation shall be accepted as concluded final price and shall be binding upon the Account Holder(s) and the Broker.

3. The Account Holder(s) acknowledge receipt of this Account Opening Form(signed here by me/us in duplicate) along with the copies of all the annexure and the Account Holder(s) also undertake to have understood and accepted all the above

additional Terms and Conditions.

4. The Account Holder(s) further confirm that all the information given in this application is true and complete and hereby authorize the Broker to verify any information mentioned above from any sources deemed appropriate by the Broker.

Further, I hereby undertake that: -

- a) I have taken one Online Internet Trading Terminal for Internet trading from Yasir Mahmood Securities (Pvt.) Limited.
- b) Online Internet Trading Terminal will be only for my personal facility and shall be exclusively used by myself and no trading in any other account in any sense whatsoever shall be carried out.
- c) I hold myself fully responsible for all the trades executed through the OITT assigned to me and the Company shall be fully justified to enter those trades into my account for settlement purpose.