

ABA ALI HABIB SECURITIES (PVT) LIMITED

Draft Standard Operating Procedure (SOP)

Compliance Function

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Approved By:

Version: 1.00

Version

Version	Effective Date	Description of Change
1 st	30 November, 2019	Updates in AML laws and regulations
2 nd	31 May, 2020	Updates in Laws and regulation
3 rd	10 August, 2020	Change in Laws and regulation
4 th	5 th October, 2020	Update in AML rules and regulations
5 th	25 th June, 2021	Update with respect to industry practices
6 th	30 September, 2021	Updates as per changes and red flags by FMU

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Objective:

The objective of this document is to ensure that compliances of the brokerage house is effectively monitored and controlled by the designated compliance officer.

Compliance is mainly the act of obeying an order, rule or request.

Role of Compliance Department:

The Compliance Department of **ABA ALI HABIB SECURITIES (PVT) LTD – (AAHS)** is responsible to ensure that the company follows all the rules and regulations as prescribed by the regulatory bodies i.e. PSX, NCCPL, CDC and SECP.

Reports:

Following are the reports that a compliance officer needs to check whether these reports are submitted to the relevant regulatory bodies on timely basis or not;

<i>IBTS Penetration Testing</i>
<i>Client Asset Segregation</i>
<i>Al Qaeda Compliance Reporting</i>
<i>Net Capital Balance - Audited</i>
<i>Financial Statements -Half Yearly</i>
<i>SRB returns</i>
<i>FBR returns</i>
<i>Net Capital Balance</i>
<i>Liquid Capital</i>
<i>SECP E-Filing</i>
<i>Shareholding Pattern</i>
<i>List of Employees</i>
<i>List of KATS</i>
<i>Customer Greivances Detail</i>
<i>CDC Trade Report to clients</i>
<i>Client Asset Segregation - Audited</i>
<i>Financial Statements - Audited</i>
<i>Assets Under Custody</i>
<i>Annual FBR returns</i>
<i>Renewal - Agent/Broker Registration</i>
<i>Form A & Form 29</i>

Checklist:

A compliance officer shall have a checklist. The details need to be filled in on monthly basis and the said checklist is to be signed by the board of directors and kept in record of AAHS. The format of the compliance checklist has been attached below as Annexure "A".

SR. NO.	BROKER LICENSING & OPERATION REGULATION 2016.		COMPLIANCE			COMPLIANCE OFFICER COMMENTS	MANAGEMENT'S COMMENTS
	REF.	SCOPE OF MONTHLY REPORT	YES	NO	N/A		
1		CHAPTER II	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	3	PROHIBITION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	4	ELEGIBILITY CRETERIA FOR LICENSING OF A SECURITIES BROKER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	5	APPLICATION AND PROCEDURE FOR GRANTING LICENSE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	6	FINANCIAL RESOURCE REQUIREMENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	7	ADDITIONAL REQUIRMENT FOR LICESING UNDER TRADING AND SELF CLEARING AND TRADING AND CLEARING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	8	GRANT FOR LICENSE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	9	RENEWAL OF LICENSE	<input type="checkbox"/>		<input type="checkbox"/>		
	10	PROCEDURE WHERE LICENSING IN NOT GRANTED OR RENWED	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	11	CANCELLATION OF LICENSE	<input type="checkbox"/>		<input type="checkbox"/>		

			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2		CHAPTER III	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	12	INVITATION AND ADVERTISEMENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	13	DISCLOSURE OF FINANCIAL RISK	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	14	CONFLICT OF INTEREST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	15	CONFIDENTIALITY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	16	DUTIES & OBLIGATION OF SECURITIES BROKER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	17	ESTABLISHMENT OF RELATIONSHIP WITH CUSTOMERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	18	CUSTOMER RIGHTS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	19	EXECUTION OF CUSTOMER ORDERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	20	ORDER RECORDING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	21	CONTRACT NOTES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	22	ELECTRONIC CONTRACT NOTES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	23	SEGREGATION OF CUSTOMER MONEY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	24	ACCOUNTING FOR AND USE OF CUSTOMER MONEY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	25	SEGREGATION OF OTHER CUSTOMER ASSETS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	26	PERIODIC REPORTING OF THE CUSTOMER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	27	CUSTOMER COMPLAINTS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	28	PROPERITERY TRADING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	29	APPOINMENT AND FUNCTION OF COMPLIANCE OFFICER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

	30	SHORT SELLING BY SECURITIES BROKER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	31	RESTRICTION ON SHORT SELLING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3		MONTHLY / QUARTERLY / HALF YEARLY REPORTING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	32	MONTHLY NET CAPITAL AND LIQUID CAPITAL REPORTING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	33	AUDITED NET CAPITAL HALF YEARLY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	34	CLIENTS ASSETS SEGREGATION REPORTING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	35	QUARTERLY CUSTOMER GRIEVANCES REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	36	QUARTERLY SHARE HOLDER PATERN WITH AUTHORIZED PERSON AND BANK DETAILS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	37	QUARTERLY FRS FILLING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	38	AGENT REGISTRATION (RENEWAL)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	39	BRANCH REGISTRATION (RENEWAL)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	40	HEAD OFFICE REGISTRATION (RENEWAL)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	41	BROKER REGISTRATION (RENEWAL)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	42	AUDITED FINANCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		