

Circular No.: PMEX/MKT, BD&CSS/2019/48

October 30, 2019

Submission of Updated AML/CFT Internal Risk Assessment in light of National Risk Assessment 2019

This is in continuation to the email dated October 25, 2019, on the subject matter circulated by the Securities and Exchange Commission of Pakistan (SECP) to all brokers.

All brokers are hereby informed that they are required to update their Internal Risk Assessments in line with Pakistan's updated National Risk Assessment (NRA) on Money Laundering (ML) and Terrorism Financing (TF) 2019, copy of which has already been shared by the SECP during first week of September 2019. All brokers are required to ensure the following:

1. Update their Internal Risk Assessment document in light of guidance note attached as **Annexure A**. The guidance note is only for understanding and should be used in conjunction with NRA 2019.
2. Update the entity's Policy and Procedures so as to introduce required controls including implementation of required systems for mitigation of ML/TF risks commensurate to the level of risk identified in the attached document.
3. Ensure Outreach/Awareness, Trainings and Capacity Building of officials involved in mitigation of ML/TF risks in your entity with regard to risk and context mentioned, threats and vulnerabilities identified in the attached document.

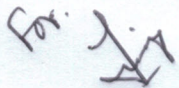
All brokers are required to submit their updated AML/CFT Internal Risk Assessment covering all aspects including transnational TF risk through email to compliance@pmex.com.pk strictly by **November 10, 2019** as per attached guidance note.

This shall enable the SECP to update Risk Based Supervision Plan for 2019-2020. Considering the stringent timelines of FATF Action Plan, your adherence with the given timeline is once again emphasized.

The above must be noted for your information, record and strict compliance purposes.

For further information and assistance, please feel free to contact our Customer Support Services by phone on 111-11-PMEX (7639) or by email at support@pmex.com.pk.

Best regards,



Syed Mumtaz Ali
Chief Regulatory Officer