



Central Depository Company
of Pakistan Limited

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CIRCULAR NO. 08 OF 2016

Sub: Regularization of Sub-Accounts where CNICs have expired

To,
All CDS Participants,

Dear Sirs,

As you are aware, opening of a Sub-Account of an individual in the CDS is subject to various requirements which include provision of a valid Computerized National Identity Card ("CNIC") issued by National Database Registration Authority ("NADRA") with a expiry date. Such information is entered in the CDS as part of Registration Details for use including reporting to the Issuers as per law.

During inspection of records of Participants, it was observed that numerous Sub-Accounts of individual investors are maintained where their CNICs have expired. Necessary advice was issued to such Participants for corrective action.

It is pertinent to mention here that as per the provisions of the National Database and Registration Authority (National Identity Card) Rules, 2002 ("NADRA Rules"), certain terms and conditions have to be complied with if a citizen is to hold a valid CNIC. Rule 6 of the NADRA Rules is reproduced herein below for reference:

"6. Terms and conditions. – (1) A resident citizen or a non-resident citizen, as the case may be, shall only hold or use a card issued to him under these rules in so far as he continues to fulfill the criteria of eligibility as laid down and applicable to him under these rules or till the expiry of the validity period of his card, whichever is earlier.

(2) a card shall no more be valid when the holder thereof ceases to fulfill the criteria of eligibility applicable to him under these rules or upon expiry of the validity period thereof."

[Emphasis supplied]

In addition to the above, Rule 12(1) of the NADRA Rules makes it mandatory for a citizen whose CNIC has expired to apply afresh for registration within one month after the expiry date of the CNIC. Further, as per Regulation 6.2 of the CDC Regulations, Participants are required to ensure accuracy of the Registration Details of Sub-Accounts opened and maintained by them including the validity of CNIC of Sub-Account Holder as an expired CNIC is not a valid document and shall therefore be construed as non-compliance.

In view of the above, you are requested to initiate the process of identifying and regularizing Sub-Accounts of individuals maintained by you whose CNICs have expired. Please note that no action shall be taken in respect of individual Sub-Account Holders of senior citizens as they enjoy the benefit of lifetime expiry dates.

For ensuring constant compliance, you may also review the expiry dates of CNICs of your Sub-Account Holders on a regular basis and contact the relevant Sub-Account Holder well before the expiry date of his/her CNIC for completion of formalities.

Regards,


Badiuddin Akber
Chief Compliance & Risk Officer

Copy for information to:

Executive Director/HOD-PRDD(SMD)
Securities & Exchange Commission of Pakistan

The Chief Executive Officer
National Clearing Co. of Pakistan Ltd.

The Chief Regulatory Officer
National Clearing Co. of Pakistan Ltd.

The Managing Director
Pakistan Stock Exchange Limited

The Chief Regulatory Officer
Pakistan Stock Exchange Limited