

AL-HAQ Securities (Pvt) Ltd.

TRE Certificate Holder Pakistan Stock Exchange Ltd.

d. On-Going Due Diligence

- It shall be ensured that on-going Due Diligence on the customer relationship and scrutiny of transactions is undertaken to ensure that the transactions executed in a particular account are consistent with the company's knowledge of the customer, its business and risk profile, historical pattern of transactions and the pattern and source of funding of the account.
- It shall be ensured that the customers' records are updated at regular intervals and sufficient information is obtained regarding any significant change in the customers' profiles.

e. Simplified Due Diligence

- CDD measures shall be simplified or reduced in the following circumstances:
 - risk of money laundering or terrorist financing is lower
 - information on the identity of the customer and the beneficial owner of a customer is publicly available
 - adequate checks and controls exist
- Following customers may be considered for simplified or reduced CDD:
 - Financial institutions which are subject to requirements to combat money laundering and terrorist financing consistent with the FATF Recommendations and are supervised for compliance with those controls
 - Public companies that are subject to regulatory disclosure requirements
 - Government administrations or enterprises
- When opting for simplified or reduced due diligence, the FATF guidelines in this regard shall be consulted. Simplified CDD shall not be followed when there is an identified risk of money laundering or terrorist financing.

f. Compliance Function

- A compliance function shall be established with suitable human resource and MIS reporting capabilities, enabling it to effectively monitor the customers' transactions and make timely reports.
- The Head of Compliance function shall have skills and experience necessary for satisfactory performance of functions assigned. Head of Compliance shall be independent and report directly to the Board of Directors.
- The Compliance function shall ensure compliance with the requirements of these policies as well as other regulatory requirements applicable under the relevant legal framework. A record shall be maintained of all violation/ non-compliance identified and reported to the BoD and must be available for the inspection of SECP as and when required.

g. Data Retention

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