

INVESTOR PROTECTION GUIDELINES

Lahore Stock Exchange and all other capital market entities, i.e. Central Depository Company (CDC) and National Clearing Company (NCCPL) are engaged in ensuring that our market apparatus provides the best possible security and safety in the trading, transmission and custody of investors' securities.

An essential element of adequate investors' protection apparatus is the duty of due care and appropriate oversight by the investors themselves over their trading and custodial arrangements. Investors are encouraged to ensure the following in this respect:

- » Check and verify the reputation of the broker and the registration status of his branch office concerned and agents before establishing client relationship with any brokerage house.
- » While opening a trading account with a broker, read and understand the contents of the "Standardized Account Opening Form" and provide all contact details (mailing address, e-mail, telephone, and mobile number etc.) on this form. Get a copy of the same duly indicating your trading ID number and UIN. Don't give unnecessary authorization to anyone to trade on your behalf.
- » Have a "CDC Sub-Account" opened through your broker. Read the Sub Account Opening Form carefully and ask your broker to give you a copy, duly mentioning your complete contact details and the Sub Account Number.
- » For absolute custody and protection of your portfolio, consider opening an account with CDC's "Investor Account Service (IAS)".
- » Also enroll for free of cost e-alerts, e-statements and SMS alert services of CDC. Ask your broker to activate them, and ensure that you receive an email and/or SMS against any activity in your account as well as an e-statement on a monthly basis.
- » Have a valid Unique Identification Number (UIN) issued from NCCPL. UIN for individual resident Pakistanis is the CNIC number.
- » Regularly access NCCPL's website to check "UIN Information System" to monitor all activities carried out against your UIN by the broker.
- » Ask the broker to place your orders through your respective UIN only, and strictly ask him to not aggregate your orders with other UINs as the same is non-transparent.
- » In case of non registration for the IVR (Interactive Voice Response) or e-statement services of CDC, you must regularly obtain physical statement from the broker and also obtain a free of cost CDC Sub-Account statement from any CDC office. Ensure that both statements match each other and securities balances given are correct as per your record.
- » Do not place funds with any broker on fixed return basis as the same is illegal.
- » Always make payments/deliveries in the official name of the brokerage and always obtain receipt for every payment made.
- » All transactions and capital gains taxes are payable on the prescribed rates of the Government of Pakistan. No broker can offer any relaxation in the prescribed rates of these taxes. A broker offering discounted rates against these taxes may be involved in deceptive and wrongful practices.
- » In case of any change in your contact details, immediately update the same on all relevant record items such as the UIN database, your trading Account with the broker and your CDC Sub-Account etc.

In case of any discrepancy in the statements or suspicion of wrongful conduct of your broker, immediately contact Lahore Stock Exchange, CDC and/or NCCPL at their following given contacts: