

REGULATION-2: CUSTOMER DUE DILIGENCE

The existing clause of para-1 of Regulation-2 added the sub para 1(a) as under:

Existing Provision	Amended Provision
1) SBP REs shall, at minimum, conduct CDD of their customers/ occasional customers in circumstances and matters set out in section 7A (1) of the Act.	1) SBP REs shall, at minimum, conduct CDD of their customers/ occasional customers in circumstances and matters set out in section 7A (1) of the Act. (a) For the purposes of section 7A (1)(b) of the Act, SBP REs shall conduct CDD in respect of every occasional customer.

The new paragraphs at Sr. No. 9 (ii) added after para 9 as under:

Existing Provision	New Amended Provision
	9 (ii). For customers that are legal persons or legal arrangements, SBP REs shall understand the nature of the customer's business and its ownership and control structure.

The new paragraphs at Sr. No. 15, added after para 14 in Regulation -2 as under:

Existing Provision	New Amended Provision
	15) SBP REs shall complete the verification of the identity of the customer, occasional customer and beneficial owner before establishing a business relationship or conducting the occasional transaction or during the course of establishing a business relationship or occasional transactions.

REGULATION-15: REGULATION AND SUPERVISION

The existing paragraph 2 and 4 amended in Regulation -15 as under:

Existing Provision	Amended Provision
<p>2. Accordingly, any sponsor shareholders/ beneficial owners, directors, presidents and key executives (all persons subject to FPT) etc. shall become disqualified if they are DP/ PP or associated directly or indirectly with any DP/ PP.</p>	<p>2. Accordingly, no person can become sponsor shareholder/ beneficial owner, director, president and/ or key executive of RE, if that person does not comply with FPT requirements, including if that person is</p> <ul style="list-style-type: none"> (a) DP/PP or associated directly or indirectly with any DP/PP; or (b) Convicted of or associated directly or indirectly with any person convicted of any offence, including any ML/TF offence or any predicate offence set out in Schedule-I of the Act <p>For the purpose of this regulation, Fit and Proper Test (FPT) shall be interpreted in accordance to BPRD Circular No. 04 of 2007 and its subsequent Circulars.</p> <p>In addition, sponsor, shareholder, director, president & key executive shall have the same meaning as defined in Prudential Regulations for banks/DFIs as amended from time to time</p>
<p>4. In financial groups where SBP REs are part, they shall endeavor to ensure that their financial group have AML/ CFT/ CPF regime and Compliance Program in place.</p>	<p>4. In the case of corporate group, in addition to compliance with Regulation 13, the REs shall implement:</p> <ul style="list-style-type: none"> (a) policies and procedures for sharing information at a group level required for the purposes of CDD and risk management; (b) the provision, at group-level compliance, audit, and/ or AML & CFT functions, of customer, account, and transaction information from branches and subsidiaries when necessary for AML & CFT purposes. (c) adequate safeguards on the confidentiality and use of information exchanged at group-level, including safeguards to prevent tipping-off.