

# **TARIQ VOHRA SECURITIES (PVT.) LIMITED**

## **PSX TREC HOLDER**

### **SEGREGATION OF CLIENTS' ASSETS.**

Tariq Vohra Securities (Pvt.) Limited shall ensure that the assets belonging to their clients are kept separated from the assets of the Securities Broker. For this purpose, Tariq Vohra Securities (Pvt.) Limited:

(a) shall maintain separate bank account(s), with word "clients" in the title, which will include all funds of their clients deposited with the Securities Broker for purposes of trading or subscription of securities offered through IPO, along with record/breakdown of clients' balances in its back office. Tariq Vohra Securities (Pvt.) Limited may keep clients' unutilized funds in a profit-bearing bank account and in such case, shall pass on profit earned on these funds to the clients in proportion to the client's unutilized balance unless specified otherwise in writing by the client; Provided that the rate of profit to be passed on to the clients should not be more than the profit rate offered by the banks and the Tariq Vohra Securities (Pvt.) Limited shall not solicit money from its customers or public in general or make it part of its marketing material by offering return on unutilized funds. Provided further that the Tariq Vohra Securities (Pvt.) Limited shall not make application for subscription of securities offered through IPO on behalf of its clients unless the client has paid subscription money or the client has sufficient credit balance with Tariq Vohra Securities (Pvt.) Limited. Provided further that Tariq Vohra Securities (Pvt.) Limited shall comply with the procedures prescribed by the Exchange and/or CDC in respect of subscription of securities by the broker on behalf of their client through IPO including E-IPO.

(b) shall maintain separate Sub-Accounts under its Participant Account in Central Depository System (CDS) for each of its clients to maintain the custody of margins deposited by the clients in the form of securities and securities bought for clients;

(c) may maintain a Collateral Account under his Participant Account in CDS for all clients. This account shall be used exclusively for instances where outstanding payment has not been received from clients in respect of securities PSX Regulations Page 20 of 196 purchased on their behalf and relevant purchase obligation is to be settled. In such cases, Tariq Vohra Securities (Pvt.) Limited will be allowed to transfer the securities on the respective settlement date from the respective Sub-Account to the Collateral Account for a maximum period of three (3) settlement days only to the extent of the trade volume for which the client's payment is outstanding for whatsoever reason and comply with relevant requirements contained in the CDC Regulations. Tariq Vohra Securities (Pvt.) Limited shall, in addition to the electronic reporting of such transfers through ways and means as specified by the Exchange report the Exchange in writing explaining the reason for utilizing the Collateral Account and/or for holding client's securities immediately after such transfer. The notice from Tariq Vohra Securities (Pvt.) Limited will be accompanied with following documents:

(i) Non-payment notice served on the client through courier, personal delivery method, facsimile, email or properly recorded telephone line, advising him to make payment by the close of banking hours on the next working day after the settlement day and notifying that, otherwise the Securities Broker shall have a right to dispose of the required securities to cover the shortfall in the client's account at client's risk and cost;

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(ii) Client's Sub-Account and Collateral Account Activity Report of movement date and;

(iii) Documentary evidence substantiating the genuineness and circumstances of the reason for non-payment by the client which may include failure of client to pay in time due to non-clearance of client's cheque, any natural calamity, law and order situation, non or delayed functioning of an automated procedure, e.g., NIFT. Provided that for a particular client, Tariq Vohra Securities (Pvt.) Limited is allowed to transfer securities from the Sub-Account of client to the Collateral Account only once in a calendar month. Provided that in case of Trading Only Tariq Vohra Securities (Pvt.) Limited that have entered into an agreement with PCM for availing custodial and clearing services, the requirements relating to establishment of Collateral Account and all other related matters including transfer of securities to and from the Collateral Account shall be handled in accordance with procedures framed by CDC for this purpose. Provided that the requirements of this clause shall not apply to a Trading Only Securities Broker which maintains custody of assets of its all customers including its sponsors, directors and their Close Relatives with PCM or Trading and Clearing Securities Broker

Except as permitted above, the clients' funds and securities shall not be used Tariq Vohra Securities (Pvt.) Limited for any purpose other than as authorized by the client in writing in the manner and procedure prescribed by the Exchange, NCCPL and/or CDC. Tariq Vohra Securities (Pvt.) Limited shall be obliged to maintain and furnish documentary evidence to substantiate the compliance with the above regulations as and when required by the Exchange.