

ACRONYMS

Deleted and new added

Existing	
SDD Simplified Due Diligence	Deleted

Existing	New Acronym Added
	POR- Proof of Registration
	TFS- Targeted Financial Sanctions

A. DEFINITIONS

The new definitions inserted as under:

Existing Provision	New Provision
	<p>4. “Class of Beneficiaries” For beneficiary(ies) of trusts that are designated by characteristics or by class, financial institutions should obtain sufficient information concerning the beneficiary to satisfy the financial institution that it will be able to establish the identity of the beneficiary at the time of the payout or when the beneficiary intends to exercise vested rights.</p>
	<p>12. “Enhanced Due Diligence” means a due diligence process that involves a greater level of scrutiny that commensurate with underlying risks associated with customers, products, transaction channels and geographic elements. EDD shall be in addition to Customer due diligence (CDD) measures and may include but not be limited to one or more measures as follows:</p> <ul style="list-style-type: none"> i. Obtaining additional information on the customer (e.g. occupation, volume of assets, information available through public databases, internet, etc.), and updating more regularly the identification data of customer and beneficial ownership. ii. Obtaining additional information on the intended nature of the business relationship. iii. Obtaining information on the source

Existing Provision	New Provision
	<p>of funds or source of wealth of the customer.</p> <ul style="list-style-type: none"> iv. Obtaining information on the reasons for intended or performed transactions. v. Obtaining the approval of senior management to commence or continue the business relationship. vi. Conducting enhanced monitoring of the business relationship by reviewing its nature and frequency of controls applied and selecting patterns of transactions that need further examination. vii. Where practical, requiring the first payment to be carried out through an account in the customer's name with a bank subject to similar CDD standards. <p>EDD requirements may vary with the type of customer, products, channels and geography, therefore banks/DFIs are encouraged to take additional/appropriate measures.</p>
	<p>19. Identity Document: For the purpose of these regulations, the following will be acceptable as an identity documents for natural persons. CNIC/SNIC/Passport/NICOP/SNICOP/POC/ARC/POR/Form-B/Juvenile Card</p>
	<p>21. Legal arrangements means express trusts or other similar legal arrangements;</p>
	<p>32. Proliferation Financing or PF is the act of providing funds or financial services which may be used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans 'shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual-use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations.</p>
	<p>36. Settlor are natural or legal persons who</p>

Existing Provision	New Provision
	transfer ownership of their assets to trustees by means of a trust deed or similar arrangement.

B. REGULATION-1: CUSTOMER DUE DILIGENCE

The existing clause 3 and 3(b) replaced in Regulation-1 as under:

Existing Provision	Amended Provision
<p>CDD Measures for Establishing Business Relationship</p> <p>Identification of Customers</p> <p>3. For identity and due diligence purposes, at the minimum following information shall also be obtained, verified and recorded on KYC/CDD form or account opening form;</p> <p>a) Full name as per identity document;</p> <p>b) CNIC/Passport/NICOP/POC/ARC/PO R number or where the customer is not a natural person, the registration/ incorporation number or business registration number (as applicable);</p>	<p>CDD Measures for Establishing Business Relationship</p> <p>Identification of Customers</p> <p>3. For identity and due diligence purposes, at the minimum following information shall also be obtained, verified and recorded on KYC/CDD form or account opening form and relevant Information Technology (IT) systems;</p> <p>a) Full name as per identity document;</p> <p>b) Identity document number or where the customer is not a natural person, the registration/ incorporation number or business registration number (as applicable);</p>

The new paragraph 5 added after the existing paragraph 4 of Regulation-1 as under:

Existing Provision	New Amended Provision
<p>Verification of Identity</p>	<p>Verification of Identity</p> <p>5. Banks/DFIs shall conduct biometric verification for all Pakistani citizens/ Afghan refugees holding PoR Cards, before establishing new relationships, except in cases of genuine reasons or technical issues as prescribed by SBP in the Frequently Asked Questions (FAQs) on use of Biometric Technology.</p>

The existing paragraph 5 changed to paragraph 6 of Regulation-1 as under:

Existing Provision	Amended Provision
<p>Identification and Verification of Natural Persons Acting on Behalf of Customer</p> <p>5. In relation to Para 4 above, where one or more natural persons are acting on behalf of a customer/ occasional customer/ walk-in customer or where customer is legal person or legal arrangement, bank/ DFI shall identify the natural persons who act on behalf of the customer and verify the identity of such persons. Moreover, the bank/ DFI shall seek information on powers (legal basis or authority) that regulate and bind the legal person or arrangement, as well as the names of the relevant persons having a senior management position in the legal person or arrangement.</p>	<p>Identification and Verification of Natural Persons Acting on Behalf of Customer</p> <p>6. In relation to Para 4 and 5 above, where one or more natural persons are acting on behalf of a customer/ occasional customer/ walk-in customer or where customer is legal person or legal arrangement, bank/ DFI shall identify the natural persons who act on behalf of the customer, verify the identity of such persons and record the same in the relevant IT system. Moreover, the bank/ DFI shall seek information on powers (legal basis or authority) that regulate and bind the legal person or arrangement, as well as the names of the relevant persons having a senior management position in the legal person or arrangement.</p>

After paragraph 10, two new paragraphs 11 and 12 added in Regulation-1 as under:

Existing Provision	New Provision
	<p>Identification and Verification of Natural Persons Acting on Behalf of Customer</p> <p>11. For customers that are legal arrangements, Banks/DFIs are required to identify and take reasonable measures to verify the identity of beneficial owners through the following information:</p> <ul style="list-style-type: none"> (a) for trusts, the identity of the settlor, the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust (including through a chain of control/ownership as ascertained during CDD/EDD); (b) for other types of legal arrangements, the identity of persons in equivalent or similar positions. <p>12. Banks/ DFIs shall obtain from legal entities, the ultimate beneficial ownership information i.e. natural persons or individuals who ultimately own or control the company, that are required to maintain</p>

Existing Provision	New Provision
	such information, as prescribed by SECP ¹ .

The serial number of existing paragraph 11 replaced with 14 in Regulation-1 with following changes:

Existing Provision	Amended Provision
<p>Timing of Verification 11. Verification of the identity of the customers and beneficial owners shall be completed before business relations are established including verification of CNIC/ NICOP/ POC from NADRA wherever required for customers under these regulations.</p>	<p>Timing of Verification 14. Verification of the identity of the customers and beneficial owners shall be completed before business relations are established.</p>

The serial number of existing paragraph 12 replaced with 15 in Regulation-1 with following changes:

Existing Provision	Amended Provision
<p>Timing of Verification 12. Banks/ DFIs may accept initial deposit at the time of submission of necessary documents by their prospective customers (individual natural persons only) subject to the following;</p> <p>a) Initial deposit receipt will be issued with 'Disclaimer' that account shall be opened after completing necessary due diligence including NADRA verification through Verisys or bio-metric technology.</p>	<p>Timing of Verification 15. Banks/ DFIs may accept initial deposit at the time of submission of necessary documents by their prospective customers (individual natural persons only) subject to the following;</p> <p>(a) Initial deposit receipt will be issued with 'Disclaimer' that account shall be opened after completing necessary due diligence including NADRA verification through biometric technology.</p>

The serial number of existing paragraph 13 replaced with 16 and 17 in Regulation-1 with following changes:

Existing Provision	Amended Provision
<p>CDD Measures for Occasional Customers/ Walk-in Customers and Online Transactions 13. Banks/DFIs shall;</p> <p>(a) in case of occasional customers/ walk-in-customers:</p> <p>(i) obtain copy of CNIC or conduct biometric verification while</p>	<p>CDD Measures for Occasional Customers/ Walk-in Customers and Online Transactions 16. Banks/DFIs shall identify the occasional customers/ walk-in customers and capture their identity document number in the IT system. 17. Furthermore, Banks /DFIs shall obtain a</p>

¹ SECP Circular No. 16 of 2018 dated August 29, 2018 or any other instruction in this regard

Existing Provision	Amended Provision
<p>conducting cash transactions of rupees 0.5 million or above, including where the transaction is carried out in a single operation or in several transactions that appear to be linked; and</p> <p>(ii) obtain copy of CNIC or conduct biometric verification while issuing remittance instruments e.g. POs, DDs and MTs etc.</p> <p>(b) obtain copy of CNIC or conduct biometric verification (regardless of threshold) while conducting online transactions by occasional customers/ walk-in customers (except deposits through Cash Deposit Machines or cash collection/management services). If transaction exceeds Rs. 100,000 the name and CNIC No. shall also be captured in the system and made accessible along with transaction details at beneficiary's branch.</p>	<p>copy of identity document of the occasional customer/ walk-in customers' and verify the identity using reliable, independent source of information, i.e. biometric verification or NADRA Verisys in line with SBP's Frequently Asked Questions (FAQs) on use of Biometric Technology;</p> <p>a) While issuing remittance instruments e.g. POs, DDs and MTs etc. (regardless of threshold).</p> <p>b) Conducting cash transactions of rupees 0.5 million or above, including where the transaction is carried out in a single operation or in several transactions that appear to be linked.</p>

The existing paragraph 14 and 15 replaced with 18, 19 and 20 in Regulation-1 with following changes:

Existing Provision	Amended Provision
<p>Where CDD Measures are Not Completed</p> <p>14. In case banks/ DFIs are not able to satisfactorily complete required CDD measures, account shall not be opened or any service provided and consideration shall be given if the circumstances are suspicious so as to warrant the filing of an STR. If CDD of an existing customer is found unsatisfactory, the relationship should be treated as high risk and reporting of suspicious transaction be considered as per law and circumstances of the case.</p> <p>15. In cases where banks/DFIs form suspicion of money laundering, terrorist financing or other criminal activity, and they reasonably believe that performing the CDD process will tip-off the customer, they may not to pursue the CDD process, and</p>	<p>CDD Measures for Occasional Customers/ Walk-in Customers and Online Transactions</p> <p>18. In case banks/ DFIs are not able to satisfactorily complete required CDD measures, account shall not be opened or any service provided and consideration shall be given if the circumstances are suspicious so as to warrant the filing of an STR.</p> <p>19. If banks/DFIs are unable to satisfactorily comply with CDD measures of an existing customer, the relationship shall be terminated and reporting of suspicious transaction be considered as per law. Further, banks/DFIs shall serve a prior notice and record cogent reasons for terminating business relationships in their systems on a case to case basis.</p>

Existing Provision	Amended Provision
instead file an STR with FMU.	20. In cases where banks/DFIs form suspicion of money laundering, terrorist financing or other criminal activity, and they reasonably believe that performing the CDD process will tip-off the customer, they may not to pursue the CDD process, and instead file an STR with FMU.

The heading of serial number of existing paragraph 22 replaced with revised heading at 27 and new paragraph 28 added in Regulation-1 as under:

Existing Provision	Amended Provision
<p>Review of products and services</p> <p>22. Banks/DFIs shall identify and assess the ML/TF risks that may arise in relation to the development of new products, services and business practices including delivery mechanisms and the use of new or developing technologies for both new and pre-existing products.</p>	<p>Review of products and services including new Technologies</p> <p>27. Banks/DFIs shall identify and assess the ML/TF/PF risks that may arise in relation to the development of new products, services and business practices including delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products, especially those that may favor anonymity.</p> <p>28. Furthermore, risk assessments shall be undertaken prior to the launch or use of such products, services and business practices and technologies. Appropriate measures should be taken to manage and mitigate the identified risks.</p>

The existing paragraph 26 & 28 replaced with 32 & 34 in Regulation-1 with following changes:

Existing Provision	Amended Provision
<p>Existing Customers</p> <p>26. A bank/DFI shall perform such CDD measures as may be appropriate to its existing customers having regard to its own assessment of materiality and risk but without compromise on identity and verification requirements.</p> <p>28. For existing customers who opened accounts with old NICs, banks/DFIs shall ensure that attested copies of CNICs shall</p>	<p>Existing Customers</p> <p>32. Banks/DFIs shall perform such CDD measures as may be appropriate to its existing customers having regard to its own assessment of materiality and risk but without compromise on identity and verification requirements.</p> <p>34. For existing customers who opened accounts with old NICs, banks/DFIs shall ensure that attested copies of identity</p>

Existing Provision	Amended Provision
be present in bank's/DFI's record. Banks/DFIs shall block accounts without CNIC (after serving one month prior notice) for all debit transactions/withdrawals, irrespective of mode of payment, until the subject regulatory requirement is fulfilled. However, debit block from the accounts shall be removed upon submission of attested copy of CNIC and verification of the same from NADRA.	documents shall be present in bank's/DFI's record. Banks/DFIs shall block accounts without identity document (after serving one month prior notice) for all debit transactions/withdrawals, irrespective of mode of payment, until the subject regulatory requirement is fulfilled. However, debit block from the accounts shall be removed upon submission of attested copy of identity document and verification of the same from NADRA or biometric verification.

The existing paragraph 29 & 30 replaced with 35 & 36 in Regulation-1 with following changes:

Existing Provision	Amended Provision
<p>Dormant accounts</p> <p>29. For customers whose accounts are dormant or in-operative, bank/DFIs may allow credit entries without changing at their own, the dormancy status of such accounts. Debit transactions/ withdrawals shall not be allowed until the account holder requests for activation and produces attested copy of his/her CNIC if already not available and bank/DFI is satisfied with CDD of the customer.</p> <p>30. In relation to Para 28 and 29 above, it may be noted that transactions e.g. debits under the recovery of loans and markup etc. any permissible bank charges, government duties or levies and instruction issued under any law or from the court will not be subject to debit or withdrawal restriction.</p>	<p>Existing Customers</p> <p>35. For customers whose accounts are dormant or in-operative, bank/DFIs may allow credit entries without changing at their own, the dormancy status of such accounts. Debit transactions/ withdrawals shall not be allowed until the account is activated on the request of the account holder. For activation, the bank/DFI shall conduct biometric verification of the account holder or obtain attested copy of customer's valid identity document, if already not available.</p> <p>36. In relation to Para 34 and 35 above, it may be noted that transactions e.g. debits under the recovery of loans and markup etc. any permissible bank charges, government duties or levies and instruction issued under any law or from the court will not be subject to debit or withdrawal restriction.</p>

The existing paragraph 34 replaced with 40 in Regulation-1 with following changes:

Existing Provision	Amended Provision
NGOs/NPOs/ Charities' accounts	NGOs/NPOs/ Charities' accounts

Existing Provision	Amended Provision
<p>34. The accounts should be opened in the name of relevant NGO/NPO as per title given in constituent documents of the entity. The individuals who are authorized to operate these accounts and members of their governing body should also be subject to comprehensive CDD. Banks/DFIs should ensure that these persons are not affiliated with any proscribed/ designated entity or person, whether under the same name or a different name.</p>	<p>40. The accounts should be opened in the name of relevant NGO/NPO as per title given in constituent documents of the entity. The individuals who are authorized to operate these accounts and all members of their governing body should also be subject to CDD separately. Banks/DFIs should ensure that these persons are not affiliated with any proscribed/ designated entity or person, whether under the same name or a different name.</p>

The existing paragraph 38 (Asset Side Customers) replaced with 44 (Asset Side / Trade Finance Customers) in Regulation-1 with following changes:

Existing Provision	Amended Provision
<p>Asset Side Customers</p> <p>38. Banks/DFIs shall make comprehensive assessment of controls on asset products and related customers to ensure effective implementation of due diligence requirements as per their own assessment of materiality and risk without compromising on identity and verification requirements. This shall include monitoring of the customers and related risks on ongoing basis as per standard norms and best practices to mitigate the risks related to such products/ customers.</p>	<p>Asset Side / Trade Finance Customers</p> <p>44. Banks/DFIs shall also undertake CDD measures of asset side/ trade finance customers as prescribed in these Regulations and ensure monitoring of such customers with regard to ML/TF/PF risks.</p>

The existing paragraph 39 replaced with 45 and new para 46 added in Regulation-1 as per following:

Existing Provision	Amended Provision
<p>Customers from Jurisdictions identified by FATF</p> <p>39. Banks/DFIs shall make comprehensive assessment of controls on asset products and related customers to ensure effective implementation of due diligence requirements as per their own assessment of materiality and risk without compromising on identity and verification requirements. This shall include monitoring of the customers and related risks on ongoing basis as per</p>	<p>Customers from High-Risk Jurisdictions identified by FATF</p> <p>45. Banks/ DFIs shall apply enhanced due diligence, proportionate to the risks, to business relationships and transactions with natural and legal persons (including financial institutions) from foreign jurisdictions for which this is called for by the FATF.</p> <p>46. Banks/ DFIs shall apply countermeasures proportionate to the risks: (a) when called upon to do so by</p>

Existing Provision	Amended Provision
standard norms and best practices to mitigate the risks related to such products/ customers.	FATF, or (b) independently of any call by the FATF to do so.

The new para 47 will be added in Regulation-1 as under:

Existing Provision	New Provision
	<p>Prohibition on Reliance on Third Parties for CDD measures</p> <p>47. Banks/DFIs shall not rely on third parties to perform any CDD measures as prescribed in these Regulations.</p>

REGULATION-3: WIRE TRANSFER/ FUND TRANSFER

The existing paragraph of 3 of Regulation-3 shall be replaced as below and new paragraph 4 added as under:

Existing Provision	Amended Provision
<p>Responsibility of the Ordering Institution</p> <p>3. Bank/DFI shall include the following information in the message or payment instruction which should accompany or remain with the wire transfer throughout the payment chain:</p> <p>(a) the name of the originator;</p> <p>(b) the originator’s account number (or unique reference number which permits traceability of the transaction);</p> <p>(c) the originator’s address or CNIC/ passport number;</p> <p>(d) the name of the beneficiary; and</p> <p>(e) the beneficiary’s address or CNIC/ passport number.</p>	<p>Responsibility of the Ordering Institution</p> <p>3. Bank/DFI shall include the following information in the message or payment instruction which should accompany or remain with the wire transfer throughout the payment chain:</p> <p>(a) the name of the originator;</p> <p>(b) the originator’s account number (or unique reference number which permits traceability of the transaction);</p> <p>(c) the originator’s address and CNIC/ passport number;</p> <p>(d) the name of the beneficiary; and</p> <p>(e) the beneficiary’s address and CNIC/ passport number.</p> <p>4. Where several individual cross-border wire transfers from a single originator are bundled in a batch file for transmission to beneficiaries, the batch file shall contain the required and accurate originator information (originator’s account number or unique transaction reference number) and full beneficiary information that is fully traceable within the beneficiary</p>

Existing Provision	Amended Provision
	country.

REGULATION-4: REPORTING OF TRANSACTIONS (STRs/CTRs)

The existing paragraph of 1 and 6 of Regulation-4 shall be replaced as under and new paragraph added at Sr# 12 as follows:

Existing Provision	Amended Provision
<p>1. Banks/ DFIs shall comply with the provisions of AML Act, rules and regulations issued there under for reporting suspicious transactions/ currency transactions in the context of money laundering or financing of terrorism.</p> <p>6. The adequacy of staff posted for effective monitoring and reporting of suspicious transactions is a critical factor of Customer Due Diligence. Banks/DFIs shall place adequate number of analysts for monitoring and reporting purpose. Moreover, steps should be taken by banks/DFIs to develop knowledge and skills of their staff and utilize technology solutions required for effective monitoring and reporting of suspicious transactions.</p>	<p>1. Banks/ DFIs shall comply with the provisions of AML Act, rules and regulations issued there under for reporting suspicious transactions/ currency transactions in the context of money laundering, financing of terrorism and financing of proliferation.</p> <p>6. The adequacy of staff posted for effective monitoring and reporting of suspicious transactions is a critical factor of Customer Due Diligence. Banks/DFIs shall place adequate number of analysts for monitoring and reporting purpose. Moreover, steps should be taken by banks/DFIs to develop knowledge and skills of their staff and utilize technology solutions required for effective Targeted Financial Sanctions (TFS) monitoring and reporting of suspicious transactions.</p> <p>12. The reporting of suspicious transactions/currency transactions in the context of money laundering, financing of terrorism or financing of proliferation shall not be assigned to outsourced employees.</p>

REGULATION-6:

INTERNAL CONTROLS, POLICIES, COMPLIANCE, AUDIT AND TRAINING

The new paragraph 03 added after paragraph 02 at Regulation-6 as under:

Existing Provision	New Amended Provision
	<p>Bank/DFIs own AML/CFT policies, procedures & controls</p> <p>3. Banks/ DFIs should update their internal risk assessment periodically or in case of any major event or in light of the National Risk Assessments (NRA) duly shared by SBP besides other instructions issued from</p>

Existing Provision	New Amended Provision
	time to time.

The serial number of existing paragraph 10(a) revised as Para 11(a) in Regulation-5 with following changes:

Existing Provision	Amended Provision
<p>10. Banks/ DFIs shall: (a) in addition to oversight by Board, assign monitoring of compliance and AML/CFT function as term of reference to one of the Management Committees responsible for risk and control;</p>	<p>10. Banks/ DFIs shall: (a) in addition to oversight and monitoring of ML/TF/PF risks posed to the entity, the Board shall also be responsible for ensuring that entity has implemented effective AML/CFT controls (preventive measures) including Targeted Financial Sanctions (TFS) related to TF & PF, STR/CTR. The board shall delegate oversight and monitoring function to any of the board sub-committees preferably Board Risk Management Committee (BRMC) or Board Audit Committee (BAC) and Compliance Risk Management Committee (CRMC) which has been constituted in compliance of SBP guidance on Compliance Risk Management;</p>

The serial number of existing paragraph 12 replaced with 13 in Regulation-6 with following changes:

Existing Provision	Amended Provision
<p>Employee Due Diligence 12. The Banks/ DFIs shall develop and implement a comprehensive employee due diligence policy and procedure to be implemented/ carried out at the time of hiring all employees permanent, contractual, or through outsourcing. This shall include but not limited to verification of antecedents and screening procedures to verify that person being inducted/ hired has a clean history.</p>	<p>Employee Due Diligence 13. The Banks/ DFIs shall develop and implement a comprehensive employee due diligence policy and procedure to be implemented/ carried out at the time of hiring all employees permanent, contractual, or through outsourcing to ensure high standards. This shall include but not limited to verification of antecedents and screening procedures to verify that person being inducted/ hired has a clean history.</p>

The serial numbers of existing paragraph 13 and 14 replaced with 14 and 15 in Regulation-6 with following changes:

Existing Provision	Amended Provision
<p>Training</p> <p>13. Banks/ DFIs shall chalk out and implement suitable training program for relevant employees on annual basis, in order to effectively implement the regulatory requirements and banks'/DFIs' own policies and procedures relating to AML/ CFT. The employees training shall enable them to understand new developments, money laundering and financing of terrorism techniques, methods and trends. The training should also include their responsibilities relating to AML/ CFT especially requirements relating to CDD and analysis of abnormal/out of pattern transactions and alerts generated thereof for possible reporting of suspicious transactions.</p> <p>14. Banks/ DFIs should note that the relevant AML/CFT training combined with optimum use of technology is becoming inevitable due to ever changing nature of methods and trends in illicit activities. It is also important to test the capability and knowledge of the relevant staff on periodic basis. The online trainings and AML/CFT Tests of varying nature are available in the market offering opportunity for Banks/DFIs to equip their staff with relevant skills as per respective roles and responsibilities within the institution. As the periodic training of the front end staff is crucial, which is the first point of contact with customer; Banks/DFIs shall either purchase or internally develop comprehensive AML/CFT Computer-based/online Training Programs and Tests under a comprehensive plan with clear timelines for its implementation.</p>	<p>Training</p> <p>14. Banks/ DFIs shall chalk out and implement suitable training program for relevant employees on annual basis, in order to effectively implement the regulatory requirements and banks'/DFIs' own policies and procedures relating to AML/ CFT. The employees training shall enable them to understand new developments, money laundering and financing of terrorism techniques, methods and trends. The training should also include their responsibilities relating to AML/ CFT especially requirements relating to TFS, CDD and analysis of abnormal/out of pattern transactions and alerts generated thereof for possible reporting of suspicious transactions. Banks/DFIs shall also implement programs covering ML/TF risks and the AML/CFT/TFS obligations including the results of Risk Assessments conducted by FMU or any other Government Agencies. The bank/DFI also share its own risk assessment results with its branch staffs which keep them more vigilant and alert when dealing with such customer, product, channel and geographies.</p> <p>15. Banks/ DFIs should note that the relevant AML/CFT training combined with optimum use of technology is becoming inevitable due to ever changing nature of methods and trends in illicit activities. It is also important to test the capability and knowledge of the relevant staff on periodic basis. The online trainings and AML/CFT Tests of varying nature are available in the market offering opportunity for Banks/DFIs to equip their staff with relevant skills as per respective roles and responsibilities within the institution. As the periodic training of the front end staff is crucial, which is the first point of contact with customer; Banks/DFIs shall either purchase or internally develop comprehensive AML/CFT/TFS</p>

Existing Provision	Amended Provision
	Computer-based/online Training Programs and Tests under a comprehensive plan with clear timelines for its implementation.

C. ANNEXURE-I: MINIMUM DOCUMENTS TO BE OBTAINED FROM VARIOUS TYPES OF CUSTOMERS UNDER AML/CFT REGULATIONS

The existing paragraph of Annexure-1 shall be replaced as under:

Existing Provision	Amended Provision
<p>Individual A photocopy of any one of the following valid identity documents;</p> <ul style="list-style-type: none"> (i) Computerized National Identity Card (CNIC) issued by NADRA. (ii) National Identity Card for Overseas Pakistani (NICOP) issued by NADRA. (iii) Pakistan Origin Card (POC) issued by NADRA. (iv) Alien Registration Card (ARC) issued by National Aliens Registration Authority (NARA), Ministry of Interior (local currency account only). (v) Passport; having valid visa on it or any other proof of legal stay along with passport (foreign national individuals only). 	<p>Individual A photocopy of any one of the following valid identity documents;</p> <ul style="list-style-type: none"> i) Computerized National Identity Card (CNIC)/Smart National Identity Card (SNIC) issued by NADRA. ii) National Identity Card for Overseas Pakistani (NICOP/SNICOP) issued by NADRA. iii) Form-B/Juvenile card issued by NADRA to children under the age of 18 years. iv) Pakistan Origin Card (POC) issued by NADRA. v) Alien Registration Card (ARC) issued by National Aliens Registration Authority (NARA), Ministry of Interior (local currency account only). vi) Valid Proof of Registration (POR) Card issued by NADRA vii) Passport; having valid visa on it or any other proof of legal stay along with passport (foreign national individuals only).

Note : Para-4 amended as under:

Existing Provision	Amended Provision
<p>4. In case of expired CNIC, account may be opened on the basis of attested copies of NADRA receipt/token and expired CNIC subject to condition that Bank/DFI shall obtain copy of renewed CNIC of such customer within 03 months of the opening of account. For CNICs which expire during the course of the customer's banking relationship, Banks/DFIs shall design/update their systems which can generate alerts about the expiry of CNICs at least 01 month before actual date of expiry and shall continue to take reasonable measures to immediately obtain copies of renewed CNICs, whenever expired. In this regard, banks/DFIs are also permitted to utilize NADRA Verisys reports of renewed CNICs and retain copies in lieu of valid copy of CNICs. However, obtaining copy of renewed CNIC as per existing instructions will continue to be permissible.</p>	<p>4. In case of expired CNIC, account may be opened on the basis of attested copies of NADRA receipt/token and expired CNIC subject to condition that Bank/DFI shall obtain copy of renewed CNIC of such customer within 03 months of the opening of account. For CNICs which expire during the course of the customer's banking relationship, Banks/DFIs shall design/update their systems which can generate alerts about the expiry of CNICs at least 01 month before actual date of expiry and shall continue to take reasonable measures to immediately obtain copies of renewed CNICs, whenever expired. In this regard, banks/DFIs are also permitted to utilize NADRA Verisys reports of renewed CNICs and retain copies in lieu of valid copy of CNICs. However, where necessary obtaining copy of renewed CNIC as per existing instructions will continue to be permissible.</p>
