



'Ensuring Investor Protection'

THE SECURITIES AND EXCHANGE COMMISSION

DIRECTIVE ON ADOPTION AND IMPLEMENTATION OF MINIMUM STANDARDIZED KNOW YOUR CLIENT FORMS FOR ALL CAPITAL MARKET OPERATORS.

NUMBER: SEC/DIR/001/01/2021

The Securities and Exchange Commission (hereinafter referred to as “SEC”) is the statutory body mandated by the Securities Industry Act, 2016 (Act 929) to promote the orderly growth and development of an efficient, fair and transparent securities market in which investors and the integrity of the market are protected.

Pursuant to Sections 3, 138 and 209 of the Securities Industry Act, 2016, Act 929, Regulations 7 to 26 of the Anti-Money Laundering Regulations, 2011 (L.I 1987), Part A 1.6, 1.7, 1.13, 1.19 and Part B of SEC/FIC AML/CFT Guidelines, 2019, the SEC hereby directs all Market Capital Operators as follows, that:

- (a) With effect from 1st January 2021, all Capital Market Operators shall implement the Minimum Standardized KYC Forms with their new clients;
- (b) Capital Market Operators shall ensure that all existing clients records are updated to reflect the Minimum Standardized KYC Forms by 31st December, 2021;
- (c) Capital Market Operators shall consequently use the KYC Forms as guide to design KYC policies and procedures for their institutions by the end of June 2021 to incorporate the following items:
 - a. Customer Acceptancy;
 - b. Customer Identification Procedures;
 - c. Monitoring of Customer Transactions;
 - d. Risk Management.

Sanctions for Non-Compliance

Where there is a breach of any provision stipulated in this Directive, the SEC may take any action(s) specified under section 209(4) of the Securities Industry Act 2016 (929), and/or any other relevant law or any provision applicable under the Securities Industry Act 2016 (Act 929)

Revocation, Amendment, Variation or Revision

The SEC may revise, amend, vary or revoke this Directive.

Interpretation

Where any doubt arises about the meaning of any provision contained in this Directive, the same shall be referred to the SEC and the interpretation provided by the SEC shall be final.

Commencement of this Directive

This Directive shall take effect on 1st January 2021 and shall remain in force until otherwise revised, varied, amended, or revoked.

ISSUED BY ORDER OF

THE SECURITIES & EXCHANGE COMMISSION (SEC)

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