

Explanatory Notes:

1. If the response to any of the questions listed in Section 1.1 is **“YES”**, this means that the REA must **NOT** establish business relationship with the customer.
2. If the response to any of the questions listed in Sections 1.2 - 1.6 is **“YES”**, this accounts for the indicators of higher risk factors. When there are multiple **“YES”** responses in the aforementioned sections, or yes to a PEP, the REA is required to conduct enhanced customer due diligence which involves approval by senior management of the REA prior to accepting the new customer. The concerned staff member should also consult with the designated Compliance Officer with regards to the risk factors identified.
3. Please note that this form is for risk assessment only. There is a separate form for customer due diligence which contains mandatory requirements. After the completion of CDD, the REA can then decide whether to accept the new customer or not.

SECTION 1.1: PROHIBITED PERSONS/ORGANISATIONS SCREENING		
	Response	
<p>The customer, beneficial owner of the customer, person acting on behalf of the customer, or connected party of the customer matches the details in the following lists?</p> <p>(a) The “Lists of Proscribed Individuals and Entities” issued by the Ministry of Interior available on NACTA website;</p> <p>(b) Designated by, or under the authority of, the United Nations (“UN”) Security Council under Chapter VII of the Charter of the UN, including in accordance with UN Security Council Resolutions.</p>	YES	NO

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SECTION 1.2: CUSTOMER’S RISK FACTORS

	Response	
Is the customer or its beneficial owner a Politically Exposed Person (PEP), family member of a PEP or close associate of a PEP? <i>Note: “Politically exposed persons” or “PEPs” - means any person entrusted with a prominent public function by the State of Pakistan, a foreign country or an international organization and includes Heads of state or government, and members and senior officials of legislature, judiciary, executive, military and regulatory authorities, and senior executives of corporations, departments or bodies that are owned or controlled by the state.</i>	YES	NO
The customer is non-resident in Pakistan?	YES	NO
The customer or potential customer is a Non-Government Organization (NGO), Not for Profit Organisation (NPO) or charity?	YES	NO
Business that is cash-intensive?	YES	NO
Is the customer in a high – risk industry? <i>Note: High risk industry includes (but not limited to) following businesses;</i> - Businesses dealing with precious metals (gold, silver, diamond and stones etc.) - Real Estate dealers - High risk sectors identified in the NRA (except publicly listed companies and financial institutions regulated by the State Bank of Pakistan)	YES	NO
Is the customer a shell company, especially in cases where there is foreign ownership which is spread across jurisdictions? <i>Note: Shell Company means an inactive company used as a vehicle for various financial manoeuvres or kept dormant for future use in some other capacity.</i>	YES	NO
Does the customer have unusual or complex shareholding structure (e.g. involving 3 layers or more of ownership structure, different jurisdictions, trusts), given the nature of its business? <i>Note: The above excludes publicly listed companies in Pakistan and FATF member countries, or other countries with equivalent transparency standards for such countries.</i>	YES	NO
The business relationship will be conducted in unusual circumstances (e.g. significant unexplained geographic distance between the REA and the customer), non-resident customers?	YES	NO
The customer is a legal persons or arrangement that is a personal asset-holding vehicle?	YES	NO

SECTION 1.3: COUNTRY / GEOGRAPHICAL RISK FACTORS

	Response	
Countries identified by the Financial Action Task Force (FATF) as having strategic deficiencies in the fight against money laundering/terrorism financing or subject to a FATF statement?	YES	NO
Countries subject to sanctions, embargos or similar measures issued by, for example, the United Nations?	YES	NO
Countries identified by credible sources as having significant levels of corruption or other criminal activity?	YES	NO

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Countries or geographic areas identified by credible sources as providing funding or support for terrorist activities, or that have designated terrorist organizations operating within their country?	YES	NO
Does the customer, beneficial owner or person acting on behalf of the customer have dealings in high risk geographic regions, including Pakistan as identified in the National Risk Assessment 2019? <i>Note: The high risk areas / jurisdictions includes western borders / FATA / Southern Punjab and the eastern border.</i>	YES	NO
Countries known for high levels of financial secrecy or with low tax rates?	YES	NO

SECTION 1.4: SERVICES / PRODUCTS RISK FACTORS

	Response	
Accepting large cash payments from the customer?	YES	NO
Accepting payments from an unknown or un-associated third party on behalf of the customer?	YES	NO
Allowing the REA's bank account to be used by either the seller or buyer?	YES	NO
Selling or developing high end premium residential property?	YES	NO
Selling real properties located overseas?	YES	NO
Targeting non-resident buyers?	YES	NO

SECTION 1.5: DELIVERY CHANNEL RISK FACTORS

	Response	
Will services or products be exclusively via telephone, email, etc, where non face-to-face approach is used?	YES	NO

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SECTION 1.6: REPUTATIONAL RISK SCREENING

	Response	
Has the REA performed further screening of details of customer, beneficial owner of the customer, person acting on behalf of the customer, or connected party of the customer against other reliable sources, for example, Google, the sanctions lists published by the Office of Foreign Assets Control of the US Department of the Treasury? Are there adverse news or information arising?	YES	NO

CUSTOMER RISK RATING

- Low Risk Simplified Due Diligence
 Medium Risk Standard Due Diligence
 High Risk Enhanced Due Diligence

Note: Please complete CDD before making the recommendation below. If rejected because of failure to complete CDD or suspicion of ML/TF, a suspicious transaction report should be made to the FMU.

Customer Acceptance Recommendation:

- Accept
 Reject

Assessed by:

Name: _____

Designation: _____

Date: _____

Signature: _____

Approved by:

Name: _____

Designation: _____

Date: _____

Signature: _____