

FORM I
[See Regulation 10]

**APPLICATION FOR REGISTRATION AS A
PRIVATE EQUITY AND VENTURE CAPITAL FUND**

INSTRUCTIONS:

- (i) This form is meant for use by a FMC (hereinafter referred to as the “applicant”) for making an application for the grant of a certificate of registration as Private Equity and Venture Capital Fund proposed to be established and managed by it.
- (ii) The applicant shall complete this form, and submit it, along with the documents required under these Regulations to the Commission at its head office at Islamabad.
- (iii) The application Form shall be filled in accordance with these Regulations.
- (iv) The application shall be considered by the Commission when it is complete in all respects.
- (v) All answers must be legible.
- (vi) Information which needs to be supplied in more detail may be given on separate sheets and attached to the application form.
- (vii) The application must be signed and all signatures must be original.
- (viii) The application must be accompanied by a receipt of Rs. 1,000,000/- being the application fee (non-refundable), deposited in _____ on _____.
(Name of Bank with branch) (Date)

FORM II
[See Regulation 11]

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

**CERTIFICATE OF REGISTRATION AS A
PRIVATE EQUITY AND VENTURE CAPITAL FUND**

In exercise of the powers conferred by Section 282CA of the Companies Ordinance, 1984 (Act XLVII of 1984) the Commission hereby grants a certificate of registration to _____, as a Private Equity and Venture Capital Fund subject to the conditions prescribed under the Private Equity and Venture Capital Fund Regulations, 2008 or as may be prescribed or imposed hereafter.

The registration number of the Private Equity and Venture Capital Fund is _____.

Dated: _____

Place: ISLAMABAD

By order

Sd/-

For and on behalf of

THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

FORM III

[See Regulation 6(2)]

**APPLICATION FOR REGISTRATION BY A
FOREIGN ENTITY WHEN ONLY FOREIGN MONEY IS TO BE INVESTED**

INSTRUCTIONS:

- (i) This form is meant for use by a Foreign Entity (hereinafter referred to as the “applicant”) for making an application for the grant of a certificate of registration as Private Equity and Venture Capital Fund when only Foreign Money is to be invested by the Foreign Entity in Private Equity Entities;
- (ii) The applicant shall complete this form, and submit it along with the required documents to the Commission at its head office at Islamabad.
- (iii) The application form shall be filled in accordance with these Regulations.
- (iv) The application shall be considered by the Commission when it is complete in all respects.
- (v) All answers must be legible.
- (vi) Information which needs to be supplied in more detail may be given on separate sheets and attached to the application form.
- (vii) The application must be signed and all signatures must be original.
- (viii) The application must be accompanied by a receipt of Rs. 1,000,000/- being the application fee (non-refundable), deposited in

_____ on _____.

(Name of Bank with branch)

(Date)

Details of the Foreign Entity

1. Name and contact details of the Foreign Entity.
 2. Contact details of the Foreign Entity’s office in Pakistan.
 3. Names of the directors or partners of the Foreign Entity and their profile.
 4. Legal structure of the Foreign Entity along with:
 - (a) date and place of establishment;
 - (b) date of commencement of business and current business activities (enclose a copy of the formation documents of the entity along with the brief introduction of relevant law and jurisdiction).
 5. Total Foreign Money to be invested in Pakistan.
 6. Mode of investment in Pakistan.
 7. Details of the scheduled bank in Pakistan through which business will be transacted.
 8. Investment objectives and details about the proposed Investee.
 9. Any additional information in support of this application that the Foreign Entity may wish to disclose.
10. The application shall be accompanied by the following documents:
- (a) An undertaking that the Foreign Entity has never been involved in any illegal activities.
 - (b) Details of the foreign regulatory authority under which the Foreign Entity is being regulated.
 - (c) An affidavit by the Foreign Entity that it accepts responsibility for the information contained in the application and is accurate at the date of submission.
 - (d) Documents supporting the information requested under this Form and any other document required under these Regulations.
 - (e) Any other documents required by the Commission.
 - (f) Declaration statement:
 - (i) We hereby declare and certify that the information supplied in the application, including the attachment sheets and documents attached, is complete and true in all respects.
 - (ii) We further certify that we shall inform the Securities and Exchange Commission of Pakistan immediately of any change in the information provided in the application and the documents attached with them.
 - (iii) We warrant that we shall for the purposes of investments in Pakistan be bound by the laws of Pakistan and directions that may be issued by the Securities and Exchange Commission of Pakistan from time to time.

For and on behalf of.....

(Name of the applicant)

Authorized signatory

(Name) (Signatures)

Date:

Place:

FORM IV
[See Regulation 6(3)]

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

**CERTIFICATE OF REGISTRATION AS A
PRIVATE EQUITY AND VENTURE CAPITAL FUND**

In exercise of the powers conferred by Section 282CA of the Companies Ordinance, 1984 (Act XLVII of 1984) the Commission hereby grants a certificate of registration to _____, as a Private Equity and Venture Capital Fund subject to the conditions prescribed under the Private Equity and Venture Capital Fund Regulations, 2008 or as may be prescribed or imposed hereafter.

The registration number of the Private Equity and Venture Capital Fund is _____.

Dated: _____

Place: ISLAMABAD

By order

Sd/-

For and on behalf of

THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SCHEDULE I

[See Rules 4, 5, 7A and Regulations 6, 10 & 32]

Amount of Fees

A) Application Fees under the Rules: (Rules 4, 5, 7A)

<u>FORM</u>	<u>SUBJECT OF APPLICATION</u>	<u>AMOUNT</u> <u>(RS.)</u>
Form I	Application for permission to form an FMC	500,000
Form II	Application for license to provide PE & VC Fund Management Services	250,000
Form IV	Application for renewal of license to provide PE & VC Fund Management Services	250,000

B) Application Fee under these Regulations: (Regulations 6 and 10)

<u>Form</u>	<u>SUBJECT OF APPLICATION</u>	<u>AMOUNT</u> <u>(RS.)</u>
Form III	Application for registration as a Fund	1,000,000
Form I	Application for registration of a Fund	1,000,000

C) Other Fees: (Regulation 33)

<u>HEAD OF FEE</u>	<u>AMOUNT</u> <u>(RS.)</u>
Supervisory Fee for the FMC	250,000

SCHEDULE II

[See Regulation 3(c)]

FIT AND PROPER CRITERIA

APPLICATION AND SCOPE

- (1) The Fit and Proper Criteria in relation to FMC is applicable to the following persons:
 - (i) Promoters of the FMC;
 - (ii) Director of the FMC;
 - (iii) Key Executives of the FMC.

- (2) The Commission may upon the request of the Foreign Entity which intends to establish a FMC under these Regulations exempt the foreign directors, foreign promoters and foreign key executives of such FMC from the Fit and Proper Criteria or part thereof.

- (3) A proposed director or chief executive of the FMC shall not assume the charge of their respective office until their appointments have been approved by the Commission.

- (4) The application for seeking approval of the Commission under clause (2) shall be submitted by the FMC along with the requisite information required under Annex A and the Affidavit as specified in Annex B.

- (5) The fitness and propriety of any person shall be assessed by taking into account all the relevant factors including but not limited to the following:
 - (a) Integrity and track record of such person.
 - (b) Financial soundness of such a person.
 - (c) Competence and capability of the person.

ASSESSMENT OF FITNESS AND PROPRIETY

(1) Integrity and Track Record

A person shall not be considered Fit and Proper if he:

- (i) has been convicted of an offence involving moral turpitude;
- (ii) has been involved in the mismanagement of investments, financial/business misconduct, fraud, etc;
- (iii) has been the subject to adverse findings, after conducting an inquiry, by the Commission or any other regulatory or professional body or Government agency;
- (iv) has been actively involved in the management of a company/ firm whose registration/ license has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to mismanagement of affairs,

financial misconduct or malpractices;

- (v) is ineligible, under the Companies Ordinance, 1984 or any other legislation or regulation, from acting as a director or serving in a managerial capacity of an NBFC or a company;
- (vi) has entered into a plea bargain arrangement with the National Accountability Bureau;
- (vii) does not have an established and proven track record of successfully running a business enterprise for 3 to 5 years.

(2) Financial soundness

In determining a person's financial soundness, the following shall be considered:

- (i) whether such person's financial statements/record including wealth statements/ income tax returns/ assessment orders are available;
- (ii) whether the person has been declared by a court of competent jurisdiction as defaulter in repayment of loan;
- (iii) whether the person has applied to be adjudicated as an insolvent and his application is pending;
- (iv) whether the person is an un-discharged insolvent; and
- (v) whether the person has been declared a defaulter by a stock exchange.

(3) Competence and Capability

In determining a person's competence and capability the following shall be considered:

- (i) the directors must be individuals having management/business experience of at least five years at a senior level;
- (ii) the chief executive must have a minimum experience of three to five years in a senior management position;
- (iv) the chief executive must have the capacity to successfully undertake the responsibilities of the position; and

(6) The Fit and Proper Criteria is perpetual in nature and a FMC shall ensure compliance with the provisions of Fit and Proper Criteria.

(7) All persons subject to Fit and Proper Criteria must submit any change in the submitted information through the company secretary of the FMC to the Commission.

Annexure A

**Information to be provided by Promoters,
proposed director and proposed chief executive of the FMC**

1.	Curriculum Vitae/Resume containing:
a	Name: (former name if any):
b	Father's/Husband Name:
c	C.N.I.C # (attach copy)
d	Latest photograph
e	Nationality:
f	Age:
g	Contact details:
	i) Residential address:
	ii) Business address:
	iii) Tel:
	iv) Mobile:
	v) Fax:
	vi) E-mail:
h	National Tax Number:
i	Present occupation:
j	Qualification(s):
	i) Academic:
	ii) Professional:
k	Experience:
2.	Nature of directorship Executive <input type="checkbox"/> Non-executive <input type="checkbox"/> Status of directorship Nominee director <input type="checkbox"/> Number of shares subscribed/held _____ _____nominated by _____ (name of shareholder) Personal net worth (copy of wealth statement) _____
3.	Names of companies, firms and other organizations of which the proposed person is a director, partner, office holder or major shareholder.
4.	CIB report issued by SBP for each company of which he has been a director (attach original CIB report for the last 10 years)
5.	In the case of appointment of directors the date of board of directors' meeting in which the appointment of proposed director was approved. (Attach copy of the minutes of the meeting of the board of directors. If the director is elected, then attach a copy of the minutes of the general meeting of the company.)

6.	Names of persons on the board of the FMC who are related to the applicant.
----	--

Signature

*use additional sheets if required

Annexure B

(On Stamp Paper of appropriate value)

AFFIDAVIT

Before the Securities and Exchange Commission of Pakistan

I, _____ son/daughter/wife of _____ born on _____
_____ and _____ resident of _____
_____ holding
CNIC/Passport No. _____ do hereby state on solemn affirmation as
under:-

1. That I am eligible for the position of _____ according to the Fit and Proper Criteria for the position of _____ annexed to the Private Equity and Venture Capital Fund Regulations, 2008.
2. That I hereby confirm that the statements made and the information given by me is correct and that there are no facts which have been concealed.
3. That I have no objection if the Securities and Exchange Commission of Pakistan requests or obtains information about me from any party.
4. That I undertake to bring to the attention of the Securities Exchange Commission of Pakistan any matter which may potentially affect my status for the position of _____ as per the Fit and Proper Criteria annexed to the Private Equity and Venture Capital Fund Regulations, 2008.
5. That all the documents provided to the Securities Exchange Commission of Pakistan are true copies of the originals and I have compared the copies with their respective originals and certify them to be true copies thereof.

I do hereby verify that the statements made above are correct to the best of my knowledge and belief and nothing has been concealed therein.

DEPONENT

The Deponent is identified by me

Signature _____
ADVOCATE
(Name and Seal)

Solemnly affirmed before me on this _____ day of _____ at _____ by the
Deponent above named who is identified to me by _____, Advocate.

Signature _____
OATH COMMISSIONER FOR TAKING AFFIDAVIT
(Name and Seal)

SCHEDULE III

[See Regulation 9(b)]

Contents of the Trust Deed of the Fund

The Trust Deed must *inter alia* contain the following not necessarily in the sequence given:

- 1) Name and Registered address of the Trustee along with place and date of creation of Trust;
- 2) Object of the Trust;
- 3) Duration and date of extinction of Trust;
- 4) Authorization/approval of the Commission to constitute the Trust;
- 5) Parties to the Trust Deed identifying the Trustee as well as the beneficiaries;
- 6) Governing law and jurisdiction;
- 7) Rights of the beneficiaries of the Trust;
- 8) Duties, powers and rights of the FMC in relation to the trust;
- 9) Duties, powers, rights and obligations of Trustee;
- 10) Mechanism for rectification of Trust Deed;
- 11) Duties of the Trustee which may be delegated to third parties;
- 12) Accounting period and appointment of the auditor;
- 13) Retirement or removal of Trustee, specifically giving the Commission the power to remove the Trustee;
- 14) Circumstances and procedure for the change of FMC upon the request of the Holders;
- 15) Proposed amount of Investible Funds;
- 16) Investment policy and authorized Investment;
- 17) Fees and charges to be paid out of the Fund;
- 18) Dividend policy;
- 19) Circumstances for the revocation of the Trust along with the mechanism specifically stating the power of the Commission to revoke the trust;
- 20) Mechanism for the distribution of assets of Fund, upon the extinction or revocation of the Trust and the manner in which the beneficiaries shall be transferred their proportionate shares of the sale proceeds;
- 21) Procedure for change of Trustee;
- 22) Utilization of Investible Fund; and
- 23) Arbitration.

SCHEDULE IV
[See Regulation 28]

Contents of Placement Memorandum

Notice: - This is not an exhaustive list. The FMC is obliged to disclose any information that may be necessary for Eligible Investors to make an informed judgment.

- 1) Details of the FMC and the investment committee.
- 2) Details of the Trustee.
- 3) Details of Fund.
- 4) Summary of the substantive provisions of the Trust Deed.
- 5) Investment opportunities and Investment Strategy of the Fund.
- 6) Risk factors.
- 7) Minimum amount to be contributed by each investor and manner of subscription to the units of the fund.
- 8) Obligations and rights of the Trustee, FMC and Eligible Investors.
- 9) Distribution policy.
- 10) Fees and charges to be paid by the Fund.
- 11) Details of tax exemptions available to the Fund and deductions, if any, on distribution to Holders.
- 12) Details of Auditors of the Fund.
- 13) The accounting year of the Fund.
- 14) Particulars and frequency of the financial reports to be sent to the Holders.
- 15) An overview of the applicable regulatory and legal framework.
- 16) Circumstances for the revocation of the Trust.
- 17) Mechanism for the distribution of assets of Fund, upon the extinction or revocation of the Trust and the manner in which the beneficiaries shall be transferred their proportionate shares of the sale proceeds.
- 18) Retirement or removal of Trustee, specifically giving the Commission the power to remove the Trustee.
- 19) Circumstances and procedure for the change of FMC upon the request of the Holders.
- 20) A statement that the FMC accepts responsibility for the information contained in the placement memorandum as being accurate at the date of publication
- 21) Exit method for Eligible Investors.
- 22) Disclosures required under these Regulations.
- 23) Any other information that the Commission may specify.

SCHEDULE V
[See Regulation 21(b)]

DECLARATION BY ELIGIBLE INVESTOR

All Eligible Investors are advised that completion of this declaration form is mandatory as per the Private Equity and Venture Capital Fund Regulations, 2008 of Securities & Exchange Commission of Pakistan (SECP) in order to invest in a Private Equity and Venture Capital Fund.

1. I hereby acknowledge that:
 - a. I have examined the Constitutive Documents carefully and I understand that investment in this Private Equity and Venture Capital Fund (i.e. STATE NAME OF THE FUND) may involve risks which I am willing to undertake;
 - b. the Units of the Fund have not been recommended by the SECP and in making an investment decision, I will rely on my own judgement of the Private Equity and Venture Capital Fund and the terms of the offer including the merits and risks involved.

Name, if individual

Signature, if individual

Name, if entity

By: _____

Title: _____

Seal, if entity

SCHEDULE VI
[See Regulation 29]

Contents of Subscription Agreement

Notice: - This list is not intended to be exhaustive. The FMC is obliged to disclose any information that may be necessary for investors to make an informed judgment.

- 1) Information about the Eligible Investor.
- 2) Subscription by the Eligible Investor.
- 3) Payment of commitment / Capital calls.
- 4) Distribution / dividends.
- 5) Privacy policy.
- 6) Rights and obligations of the Eligible Investor and FMC.
- 7) Governing law.
- 8) Arbitration.
- 9) Exit Mechanism for the Holder.

SCHEDULE VII

[See Regulation 34]

Repeals and Amendments

ENACTMENT	REPEAL
Non-Banking Finance Companies and Notified Entities Regulations, 2007.	The words and comma “and venture capital investment,” in the Preamble shall be omitted.
	Regulation 2(1)(xl) to (xliii) shall be deleted.
	The words “Venture Capital Investment,” and words as figure “Rs. 50 million” in the last row of the table under regulation 3(1) shall be omitted.
	The words and comma “private equity funds, venture capital funds,” in regulation 27(d)(x) shall be omitted.
	Regulations 34 to 44 and narration of Part III shall be deleted.
	Form I along with its annexure shall be deleted.
	and Form II shall be deleted.
	In Schedule 1, part B the words “Form 1” shall be deleted.
	In Schedule 1, part B the words “Application for registration as a Venture Capital Fund” shall be deleted.
	In Schedule 1, part B the letter and figure “Rs. 500,000” shall be deleted.