

**Circular No. 5 - Reference No. 6(90)R.M/91-  
Additional conditions No. 1/2000 to Modaraba Authorization Certificate**

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*Apr. 20, 2000*

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Consequent upon the amendment in Section 3-A of the Banking Companies Ordinance, 1962 by the Banking Companies (Amendment) Act, 1997 (XIV of 1997), the State Bank of Pakistan ceased to be the regulatory authority for Modarabas and, therefore, the monitoring and supervising functions of the Modarabas, being non-banking financial institutions, has been entrusted to the SECP (erstwhile Corporate Law Authority) under the Modaraba Companies and Modaraba (Floatation & Control) Ordinance, 1980 vide Finance Division Circular dated 23.12.1997.

2. The Securities and Exchange Commission of Pakistan has, accordingly framed additional conditions for conducting of business by Modarabas which shall be deemed to be part of the conditions of the certificate granted for authorization to float a Modaraba in terms of power conferred by Section 11 of the Modaraba Companies and Modaraba (Floatation & Control) Ordinance, 1980 read with rule 3(2)(e) of Modaraba Companies and Modaraba Rules, 1981. These additional conditions shall be called Prudential Regulations for Modarabas and come into force with immediate effect (copy enclosed).

3. All business transactions undertaken by the Modarabas shall be in conformity with these regulations. The Modarabas shall bring their affairs and business operations in full conformity with these regulations by June 30, 2000. Violation of these regulations shall be dealt with under the provisions of Modaraba Ordinance, 1980.

4. The affairs of the Modaraba shall be monitored by these regulations through various periodical statements the format of which will be communicated in due course. Till such time all existing periodical statements shall continue to be filed by the Modarabas

**(MUHAMMAD ISHAQ MALLAL)**  
REGISTRAR MODARABA

**DISTRIBUTION:**

1. Chief Executives of all Modaraba Companies.
2. Modaraba Association of Pakistan.
3. The Institute of Chartered Accountant of Pakistan, Karachi.
4. The Institute of Cost and Management Accountants of Pakistan, Karachi.

5. Press Information Department, Islamabad.
6. Associated Press of Pakistan.
7. All Officers of SECP (H/Qs) and CROs.
8. Office copy.