



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALISED COMPANIES DIVISION
NON-BANKING FINANCE COMPANIES DEPARTMENT

No. SCD/NBFC-D-ED/612/2005
Islamabad, August 19, 2005


Circular No. 12 of 2005

Subject: Appointment as a Director on the Board of an NBFC

In order to avoid conflict of interest between NBFCs, I, in exercise of the powers conferred by section 282D of the Companies Ordinance, 1984 (the "Ordinance") hereby direct all Non-Banking Finance Companies (NBFCs) to appoint only such persons on their Board, who do not hold such office in any other NBFC engaged in similar business / holding similar licences. I further direct all NBFCs undertaking the business of Investment Advisory Services, to ensure that their representation on the Board of any Investment Company consists of such persons who are not on the Board of any other Investment Company.

Provided that the said direction shall not apply to the nominees of the Federal or the Provincial Governments on the Board of any NBFC.

2. All NBFCs having such persons on their Board and having such representation on the Board of Investment Companies which is contrary to the aforesaid direction shall ensure compliance with this direction and shall appoint appropriate replacements on the respective Boards, in terms of the relevant provisions of the Ordinance and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, latest by September 30, 2005.


Rashid Sadiq
Executive Director (NBFCs)

1. Chief Executives of all NBFCs
2. Chief Executive of all Investment Companies
3. Chief Executive of all Venture Capital Funds
4. The Chairman, Investment Banks Association of Pakistan
5. The Chairman, Leasing Association of Pakistan
6. The Chairman, Mutual Funds Association of Pakistan
7. All CROs