SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
LICENSING & REGISTRATION DIVISION (L&RD)
LICENSING DEPARTMENT

No. LRD/LD/Circular / 34 /2003

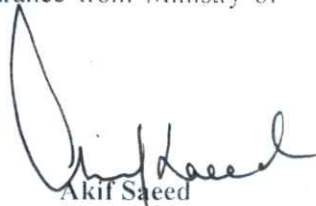## CIRCULAR NO 12 OF 2023

Islamabad, August 31, 2023

SUBJECT: **LICENSING AND ALLIED APPLICATIONS WITH SPONSORS/DIRECTORS AS FOREIGN INDIVIDUALS/ENTITIES**

In exercise of powers conferred by Section 282B (3) of Part VIIIA of the Companies Ordinance, 1984 (XLVII of 1984), (the Ordinance), the Securities and Exchange Commission of Pakistan ("the Commission") in order to effectively discharge the licensing of Non-Banking Finance Companies (NBFCs), is hereby pleased to direct that;

(a) an application made under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the Rules"), shall clearly specify the particular category of licensing activity of Investment Finance Service, which the applicant intends to perform, amongst the following:

    (i) *Investment Finance Company;*
    (ii) *Discounting Services;*
    (iii) *Housing Finance Services;*
    (iv) *Leasing Services;*
    (v) *Microfinance services;*
        1. Conventional Nano Lending
        2. Digital Nano Lending
        3. Buy Now Pay Later - BNPL
        4. Advance against salary, B2C
        5. Advance to SME/MSME
        6. Other _____ please specify

The NBFC shall obtain prior permission in case of any change subsequent to grant of license in the type of business activity stated in the application.

(b) As of the date of this Circular, all applications for license or any subsequent changes in the composition of the board/shareholders of the companies with above stated activities, wherein sponsors/directors/shareholders are foreign nationals/foreign entities, shall only be granted/allowed upon receipt of requisite prior security clearance from Ministry of Interior, Government of Pakistan.

2. This Circular shall come into force with immediate effect.

Akif Saeed
Commissioner (L&RAD)

Distribution:
1. CEO, MUFAP, Karachi.
2. CEOs of all existing NBFCs.
3. Chairman, NBFI & Modarabas Association of Pakistan