



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SCD//M/PRDD/Circular/ICM/2015-16

April 17, 2015

CIRCULAR NO. 12 OF 2015


Subject: Mandatory Certification for the Professionals of Modarabas

In order to develop human capital in the financial markets and building investor confidence by enhancing professional competence of individuals working in these markets, the Securities and Exchange Commission of Pakistan, in exercise of the powers conferred under Section 40B of the Securities and Exchange Commission of Pakistan Act, 1997 read with section 41 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 directs Modarabas to ensure compliance with the below mentioned requirements:-

- i. All existing employees of Modarabas, who are engaged in the following activities related to securities shall obtain Pakistan Markets and Regulations Program (PMR) and Fundamentals of Capital Market (FCM) certifications currently being offered by Institute of Capital Markets (ICM) within 18 months of issuance of this circular:-
 - a. Investment Management:- those managing the portfolio of securities including all members of investment committees;
 - b. Operations and settlement:- those responsible for execution and settlement for trades in securities;
 - c. Research:- those carrying out fundamental analysis of all existing and potential investment in securities;
 - d. Compliance:- those responsible for ensuring compliance with applicable securities business regulatory requirements; and
 - e. Risk:- those responsible to ensure that securities investments are within a desirable level of risk.
 - ii. All new employees joining these Modarabas after the date of the issuance of this circular and engaged in the activities as stated above shall obtain PMR and FCM certification within 12 months of their joining.
2. Professionals desirous of availing certification through grandfathering provision should approach ICM for details and this provision will lapse after December 31, 2015.
 3. Modarabas shall ensure that their employees who obtain certification through exam or grandfathering shall comply with all certification requirements.

4. All the professionals working with or working for the Modarabas in respect of above defined activities shall comply with the applicable mandatory certification requirement.

5. This Circular shall come into force with immediate effect and all Modarabas are required to ensure its meticulous compliance in letter and spirit.



(M. Asif Jalal Bhatti)

Registrar

Modaraba Companies and Modaraba

Distribution:

1. Chief Executives of all Modaraba Companies.
2. NBFI & Modaraba Association of Pakistan.
3. Office copy.