

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, the 17th June, 2022

NOTIFICATION

S. R. O.812 (I)/2022.- The following draft amendments to the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017, proposed to be made by the Securities and Exchange Commission of Pakistan, in exercise of powers conferred by sub-section (1) of section 169 of the Securities Act, 2015 (III of 2015) and sub-section (1) of section 114 of the Futures Market Act, 2016 (XIV of 2016), are hereby published for the information of all persons likely to be affected thereby and notice is hereby given that objections or suggestions, if any, may be sent to the Commission within fourteen days from the date of publication and placement of draft amendments on the website of the Commission, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations, -

(1) in regulation 2,-

(a) in sub-regulation (1),-

(i) in clause (a), after the expression “securities adviser/futures advisers” the expression “/distributors” shall be inserted;

(ii) after clause (b), the following new clauses shall be added, namely: -

“(ba) “Distributor” for the purposes of these regulations, means a Securities Adviser licensed to undertake only the activity of distribution of units of Collective Investment Schemes and/ or Voluntary Pension Fund units of multiple AMCs and include such distribution through digital means;

(bb) “Electronic Money Institution “or “EMI” shall have the same meaning as assign to it in clause 2 of Regulations for Electronic Money Institutions issued by the State Bank of Pakistan.”;

(b) in sub-regulation 2, after the expression “(XIX of 1997),” the expression “the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003” shall be inserted;

(2) in regulation 3,-

- (a) in the heading, after the expression “Chapter II”, after the word “FUTURES ADVISERS” the words “OR DISTRIBUTORS” shall be added;
- (b) after the word “futures adviser” occurring for the first and second time, the word “or distributor” shall be inserted;
- (c) the words “and a person performing distribution of Collective Investment Schemes (CIS) and/or Voluntary Pension Fund (VPF) units of multiple AMCs by entering into contracts with such AMCs shall also be required to obtain license as a securities adviser under these regulations, in order to perform functions of a distributor” shall be omitted;
- (d) for the first and second provisos, the following shall be substituted, namely: -

“Provided that in terms of section 2 (liii) (III) of the Securities Act, an NBFC duly licensed by the Commission for Investment Advisory Services under Part-VIII A of the Companies Ordinance, 1984 (XLII of 1984) may act as securities adviser and/ or futures adviser and/or distributor, without obtaining license under these regulations subject to:

- (a) maintaining membership of an association of securities advisers and/or futures advisers and/or mutual funds, as the case may be, or any other association or self-regulatory organization, which is approved by the Commission for the purpose, and abides by the code of conduct specified by such association at all times;
- (b) compliance with such other regulatory requirements for distributors under any other applicable law:
- (c) compliance with the regulatory requirements of Chapter III, Chapter IV and clause 24 of Chapter V of these Regulations:

Provided further that a Scheduled Bank, Microfinance Bank & EMI licensed by the State Bank of Pakistan, and a non-banking microfinance company licensed by the Commission may act as distributor without obtaining license under these regulations subject to compliance with the requirements of these regulations:”;

- (3) in regulation 4, -
 - (a) in the heading, the word “and” shall be omitted and after the word “futures adviser” the expression “and/ or distributor” shall be inserted;

- (b) in sub-regulation (1), -
 - (i) after the words “Commission for” the words “license to act as a” shall be inserted;
 - (ii) after the words “futures adviser” the expression “and/ or distributor” shall be inserted and thereafter the word “license” shall be deleted;
 - (iii) clause (b) shall be omitted; and
 - (iv) in clause (d), after the words “An individual” appearing at the start, the expression “not employed in a financial institution,” shall be inserted;
- (c) in sub-regulation (2), -
 - (i) after the expression “futures adviser” the expression “and/or distributor” shall be inserted;
 - (ii) in clause (a), after the word “Pakistan” the expression “, where applicable;” shall be inserted;
 - (iii) in clause (b) for the words “Act” occurring at the end, expression “Securities Act and Futures Act” shall be substituted;
 - (iv) for clause (d), the following shall be substituted, namely: -

“(d) The change in sponsors shall not be affected without the prior written approval of the Commission;”;
 - (v) in clause (g), after the word “futures advisers” the expression “and/or mutual funds,” shall be inserted;
 - (vi) for the proviso the following shall be substituted, namely: -

“Provided that in case of a banking company, microfinance bank, EMI and non-banking microfinance company, the conditions referred in sub-regulation (2) shall not be applicable except clause (e) and (g).”;
- (4) in regulation 5, -
 - (a) in sub-regulation (1), -

- (i) after the word “securities adviser” the expression “and/” shall be inserted;
 - (ii) after the word “futures adviser” the expression “and/or distributor” shall be inserted;
- (b) in sub-regulation (2), after the word “futures adviser” the expression “and/ or a distributor.” shall be inserted;
- (5) in regulation 7, -
 - (a) in sub-regulation (1), in clauses (b) and (c), after the words “futures adviser” wherever appearing, the expression “and/or distributor” shall be inserted;
 - (b) in sub-regulation (3), after the word “futures adviser” wherever appearing the expression “or distributor” shall be inserted;
- (6) in regulation 8, -
 - (a) in sub-regulation (1), after the word “futures adviser” wherever appearing the expression “or distributor” shall be inserted;
 - (b) in sub-regulation (2), (3) and (4), after the word “futures adviser” wherever appearing the expression “or distributor” shall be inserted;
- (7) in regulation 9, in sub-regulation (3) and (4) after the word “futures adviser” wherever appearing the expression “or distributor” shall be inserted;
- (8) in regulation 10,-
 - (a) in sub-regulation (1) and (2), after the word “futures adviser” wherever appearing the expression “or distributor” shall be inserted;
 - (b) in sub-regulation (3), after the word “futures adviser” the expression “or distributor” shall be inserted and for the word “Act” the expression “Securities Act and/ or Futures Act” shall be substituted;
 - (c) in sub-regulation (4), after the word “futures adviser” wherever appearing the expression “or distributor” shall be inserted;
- (9) in Chapter III, in the heading, after the word “FUTURES ADVISER” the words “OR DISTRIBUTOR” shall be added;
- (10) in regulation 11,-

- (a) in sub-regulations (1) and (2), after the word “futures adviser” wherever appearing, the expression “or distributor” shall be inserted;
- (b) after sub-regulation (2) the following new sub-regulation shall be inserted, namely: -

“(3) A distributor shall ensure that:

- (a) it discloses the list/ types of investment products it offers;
- (b) it clearly specifies that it is only acting as a distributor and shall not use the nomenclatures such as Investment Advisor, Securities Advisor, Futures Advisor or any other similar name, without obtaining requisite license from the Commission.”;

- (11) in regulation 12, in sub-regulation (6), for the proviso, the following shall be substituted, namely: -

“(7) The requirements of Regulation 12 shall not be applicable in case of distributors.”;

- (12) in regulation 13, -

- (a) in sub-regulations (1) (2) and (3), after the word “futures adviser” wherever appearing, the expression “or distributor” shall be inserted;

- (b) for sub-regulation (4), the following shall be substituted, namely: -

“(4) A securities adviser or futures adviser or distributor shall disclose to the customer any actual or potential conflicts of interest arising from any connection to or association with any issuer of securities or AMC and/ or Pension Fund Manager, including any material information or facts that might compromise its objectivity or independence in carrying on activities as securities or futures adviser or distributor.”;

- (c) for sub-regulations (5) and (6), the following shall be substituted, namely: -

“(5) A securities adviser or futures adviser or distributor shall disclose to its customers, any consideration by way of remuneration or compensation or in any other form whatsoever, received or receivable by it or any of its associates or subsidiaries in respect of the products or securities or futures contracts or distribution contracts for which the advice/ distribution services are provided to the customer.

(6) A securities adviser or futures adviser or distributor shall, before recommending the services of a securities broker, futures broker, AMC, Pension Fund Manager or other licensed persons to a customer, disclose any consideration by way of remuneration or compensation or in any other form whatsoever, if any, received or receivable by the securities adviser or futures adviser or distributor, if the customer desires to avail the services of such intermediary.”;

(d) for sub-regulations (7) (8) and (9), the following shall be substituted, namely:-

“(7) If a securities adviser or futures adviser or distributor has any interest or holding any position in the securities, futures contracts, portfolio of securities or units of CIS and/ or VPF which are subject matter of advice/ distribution services to a customer, it shall make disclosure of such fact to the customer.

(8) the securities adviser or futures adviser or distributor shall ensure that its activities as securities adviser or futures adviser or distributor are clearly segregated from all its other activities if the securities adviser or futures adviser or distributor is also engaged in any other activities/ services.

(9) In case of a company, the securities adviser or futures adviser or distributor shall ensure segregation, including establishing ‘Chinese walls’, between its proprietary trading and activities as securities adviser/ futures adviser/ distributor.”;

(e) in sub-regulations (10) and (11), after the word “futures adviser” wherever appearing, the expression “or distributor” shall be inserted;

(f) for sub-regulations (12) and (13), the following shall be substituted, namely: -

“(12) In case of a company, the securities adviser or futures adviser or distributor shall not give advice/ distribution services to customers solely with the objective of generating revenues for its other regulated activities or its associated companies or any intermediary referred by it to the customer.

(13) The securities adviser or futures adviser or distributor shall avoid giving advice/ distribution services that results in churning and excessive trading that cannot be directly linked to a profitable trade for the customers.”;

- (g) in sub-regulation (14) and (15), after the word “futures adviser” wherever appearing, the expression “or distributor” shall be inserted;
- (13) in regulation 14, after the word “futures adviser” wherever appearing, the expression “or distributor” shall be inserted;
- (14) in regulation 15, for the proviso at the end, the following shall be substituted, namely: -
 - “Provided that a distributor shall use the risk profiling criteria of that AMC whose CIS and/or VPF units are being distributed.”
- (15) in regulation 16, after clause (d), the following new clauses shall be inserted, namely: -
 - “(e) It has adequate governance and supervision mechanism regarding customer profiling and asset allocation;
 - (f) It acts diligently and carefully in providing any advice and its advice and recommendations are unbiased and are based on thorough analysis and after considering available alternatives;
 - (g) proper tools are available for assessing investor concentration risk.”;
- (16) in regulation 17, after the word “futures adviser” the expression “or distributor” shall be inserted;
- (17) in regulation 18, -
 - (a) in sub-regulation (1), -
 - (i) after the word “futures adviser” the expression “or distributor” shall be inserted;
 - (ii) in clause (a) after the word “futures adviser” the expression “or distributor” shall be inserted;
 - (iii) in clause (c), after the expression “AMC” the expression “or distributor” shall be inserted;
 - (vii) in clause (d),-
 - (i) after the expression “AMC” the expression “or a distributor” shall be inserted and after the expression “securities adviser” the expression “or distributor” shall be inserted;

(ii) after sub-clause (vi) for the semi colon a colon shall be substituted and thereafter the following proviso shall be inserted, namely: -

“Provided that sub-clause (ii) shall not apply on distributor”;

(viii) clause (e) shall be omitted;

(ix) in clause (o), for the proviso the following shall be substituted, namely: -

“Provided that this condition shall not be applicable in case of distributors.”

(x) for clauses (u) and (v), the following shall be substituted, namely: -

“(u) in case of distributor maintain copies of contracts with the AMCs; and;

(v) in case of distributor not charge any advisory fee to its customers.”;

(xi) after clause (v), the following new clauses shall be inserted, namely: -

“(w) in case it holds a distributor license, it shall not provide any investment advice including any recommendation for selecting among multiple CIS/ VPF units unless it obtains a Securities Adviser license under these regulations;

(x) in case of Digital Distributor, ensure compliance with “Guidelines for Mutual Fund Digital Distribution” issued by the Commission.”;

(b) in sub-regulation (2), after the word “futures adviser” the expression “or distributor” shall be inserted;

(18) for regulation 19, the following shall be substituted, namely: -

“**19. General.**- These obligations and duties of a securities adviser or futures adviser or distributor under these regulations with respect to audit and accounts are in addition to the requirements of the Companies Act, the rules and regulations made thereunder and any directives issued thereunder.

Provided that in case of a banking company, microfinance bank, EMI, non-banking microfinance company, the requirements of this chapter shall not be applicable except clause 24.”;

- (19) in regulation 20,-
 - (a) in sub-regulation (1), after the word “futures adviser” wherever appearing, the expression “or distributor” shall be inserted;
 - (b) in sub-regulation (2), for the word “Ordinance” the words “Companies Act” shall be substituted;
 - (c) in sub-regulation (4), after the word “futures adviser” the expression “or distributor” shall be inserted;
- (20) in regulation 21,-
 - (a) in sub-regulation (1),-
 - (i) after the word “futures adviser” wherever appearing, the expression “or distributor” shall be inserted;
 - (ii) for the word “Ordinance” the words “Companies Act” shall be substituted;
 - (b) in sub-regulation (2) after the word “futures adviser” the expression “or distributor” shall be inserted;
- (21) in regulation 22, in sub-regulation (1),-
 - (a) after the word “futures adviser” the expression “or distributor” shall be inserted;
 - (b) for the word “Ordinance” the words “Companies Act” shall be substituted;
- (22) in regulation 23, after the word “futures adviser” wherever occurring, the expression “or distributor” shall be inserted;
- (23) in regulation 24, after the word “futures adviser” wherever occurring, the expression “or distributor” shall be inserted;
- (24) in Annexure A, -
 - (a) in the heading, for the expression “[see regulation 4(c)]” the expression “[see regulation 4(2)(c)] shall be substituted ”;
 - (b) in the heading, after the word “futures adviser” the expression “/distributor” shall be inserted;

- (c) in the section "Application and Scope",-
- (i) in the first two paragraphs, after the word "futures adviser" wherever occurring, the expression "/distributor" shall be inserted;
 - (ii) in clause (b),-
 - (I) in paragraph 3,-
 - (A) the expression "of CIS and/or VPF units of multiple AMCs," shall be omitted;
 - (B) for the expression "CIS/VPF advisory" the expression "distributor"; shall be substituted
 - (C) for sub-paragraph (a), the following shall be substituted, namely: -

“(a) at a minimum be a CFA Charter holder, or possess fourteen years of education in finance, accountancy, business management, commerce, economics, capital market, financial services or any other discipline from a university recognized by the Higher Education Commission of Pakistan, or equivalent, along-with an experience of two years, however, experience requirement will not be applicable on applicant who is a CFA Charter Holder or possess sixteen years of education as stated above;”
 - (D) in sub-paragraph (b), after the word "futures adviser" wherever occurring, the expression "or distributor" shall be inserted;
 - (II) for the proviso the following shall be substituted, namely: -

“(4) Other employees of the securities adviser or the futures adviser/distributor shall be required to obtain certifications as may be specified by the Commission from time to time.”
 - (III) existing paragraph 3, shall be renumbered as 5 and thereafter, after the word "futures adviser" the expression "or distributor" shall be inserted and for the words "advisory function" the words "these functions" shall be substituted;

(IV) existing paragraph 4, paragraph 4 shall be renumbered as 6 and thereafter after the word “futures adviser” the expression “or distributor” shall be inserted;

(iii) in clause (d),-

(a) in paragraph (iii), for the expression “Section 263 or Section 265 of the Companies Ordinance, 1984,” the expression “Section 256 or Section 257 of the Companies Act, 2017,” shall be substituted;

(b) after paragraph (ix), the following new paragraph shall be inserted, namely: -

“(x) No investigation is initiated by any Law Enforcement Agency (LEA) against the person and in case any investigation has been initiated, the fact must be disclosed.”;

(c) for the “Note” the following shall be substituted, namely: -

Note:

In case of any ambiguity in determination of fitness and propriety of a person in terms of this criteria, the decision of the Commission shall be final and binding upon the securities adviser/futures adviser/distributor.

Along-with the application for licence for securities adviser/futures adviser/distributor:

(a) the applicant or where applicable its individual sponsors, directors and chief executive shall submit the following duly filled Form and the Affidavit; and

(b) the authorized person on behalf of the applicant and authorized person on behalf of the sponsors where the sponsor is a company, shall submit the following duly filled Affidavit.”;

(d) for the table the following shall be substituted, namely: -

“Information to be provided by the applicant, or where applicable its individual sponsors, directors and chief executive

(name of the applicant/sponsor/director/chief executive of the applicant)

1.	Personal and Professional Details:												
	(a) Name (former name, if any):												
	(b) C.N.I.C #/ Passport # (in case of foreign national) (attached copy)												
	(c) Contact details												
	i) Address												
	ii) Tel:												
	iii) Mobile:												
	iv) Email												
	(d) Present Occupation												
	(e) Qualification(s)												
	i) Academic:												
	ii) Professional:												
	(f) Experience: (Positions held during the last 10 years along with name and address of company/institution) Information to be provided on the following sample format*:												
	<table border="1"> <thead> <tr> <th>Sr#</th> <th>Name of Organization</th> <th>Designation</th> <th>Period</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Company A</td> <td></td> <td>DD/MM/YY - DD/MM/YY</td> </tr> <tr> <td>2</td> <td>Company B</td> <td></td> <td>DD/MM/YY - DD/MM/YY</td> </tr> </tbody> </table>	Sr#	Name of Organization	Designation	Period	1	Company A		DD/MM/YY - DD/MM/YY	2	Company B		DD/MM/YY - DD/MM/YY
Sr#	Name of Organization	Designation	Period										
1	Company A		DD/MM/YY - DD/MM/YY										
2	Company B		DD/MM/YY - DD/MM/YY										
2.	1. Nature of directorship:												
	a) Executive b) Non-executive												
	2. Status of directorship:												
	a) Nominee director b) Elected director												
	Number of shares subscribed or held _____												
	Nominated by (name of shareholder/nominating entity)												
3.	Names of companies, firms and other organizations of which the person is presently a director, partner, office holder or major shareholder (Information to be provided on the following sample format*)												
	<table border="1"> <thead> <tr> <th>Sr#</th> <th>Name of Organization</th> <th>Designation</th> <th>Period</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Company A</td> <td></td> <td>DD/MM/YY - DD/MM/YY</td> </tr> <tr> <td>2</td> <td>Company B</td> <td></td> <td>DD/MM/YY - DD/MM/YY</td> </tr> </tbody> </table>	Sr#	Name of Organization	Designation	Period	1	Company A		DD/MM/YY - DD/MM/YY	2	Company B		DD/MM/YY - DD/MM/YY
Sr#	Name of Organization	Designation	Period										
1	Company A		DD/MM/YY - DD/MM/YY										
2	Company B		DD/MM/YY - DD/MM/YY										
4.	Names of any persons on the board of the (name of securities adviser/futures adviser/distributor) who are related to the applicant.												

Signature _____

*use additional sheets if required”

(e) for the Affidavit, the following shall be substituted, namely: -

“Affidavit to be provided by the applicant, and where applicable, its sponsors, directors and chief executive

(On Stamp Paper of Appropriate Value)

AFFIDAVIT

A. In case of an individual in his/her own capacity:

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

1. That I am eligible for the license of securities advisor/ futures advisor/ distributor, or the position of director/chief executive.... (OR) being sponsor..... of the (name of securities adviser/futures adviser/distributor) according to the fit and proper criteria specified as per the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017.
2. That I and the companies, firms, sole proprietorship etc. where I am a chief executive, director (other than nominee director), owner or partner etc. have no overdue payment to any financial institution.
3. That I hereby confirm that the statements made and the information given by me are correct and that there are no facts which have been concealed.
4. That I have no objection if the (name of securities adviser/futures adviser/distributor where applicable) ... or the SECP requests or obtains information about me from any third party.
5. That I undertake to bring to the attention of the ... (name of securities adviser/futures adviser/distributor where applicable) or the SECP.... any matter which may potentially affect my status as securities adviser/ futures adviser/distributor (OR) as sponsor/director/chief executive of the securities adviser/futures adviser/distributor as per the fit and proper criteria specified in the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017.
6. That all the documents provided to (name of securities adviser/futures adviser/distributor) OR the SECP...., are true copies of the originals and I have compared the copies with their respective originals and certify them to be true copies thereof.

7. That I will comply with any other condition as may be specified by the Commission.
8. I hereby confirm that no proceedings are pending with respect to the applicants winding up, insolvency or analogous relief.
9. I hereby confirm that I have not been disqualified/ removed from the post of a key executive position of a company by the Commission or any other regulatory authority.
10. I hereby confirm that I have not been convicted in any criminal offence or directly involved in any settlement in civil/ criminal proceedings in a court of law, particularly with regard to moral turpitude, investments, financial/business misconduct, fraud/ forgery, breach of trust, financial crime etc. and/ or it has not been concluded by any regulatory authority that I have been associated with any unauthorized financial activity.
11. I hereby confirm that I have not provided false or misleading information either to the Commission or to any of the regulatory body, securities exchange, futures exchange, central depository or a clearing house.
12. I hereby confirm that I have not been actively involved in the management of a company whose registration or licence has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to financial irregularities or malpractices.
13. I hereby confirm that I have not entered into a plea bargain arrangement with the National Accountability Bureau.
14. I hereby confirm that no investigation is initiated by any Law Enforcement Agency (LEA) against me and in case any investigation has been initiated, the fact has been disclosed.

B. In case of an individual as authorized person on behalf of sponsors:

I, _____ son/daughter/wife of _____ adult, resident of _____ and holding CNIC/ Passport No. _____, on behalf of(name of institution).... being sponsor of the ...(name of securities adviser/futures adviser/distributor).... do hereby state on solemn affirmation as under:-

1. That(name of the institution)..... is eligible for being sponsor of the(name of securities adviser/futures adviser/distributor)..... according to the fit and proper criteria specified as per the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017.
2. That(name of the institution)....., and the companies, firms, sole proprietorship etc. associated with(name of the institution)....., have no overdue payment to any financial institution.
3. That I hereby confirm that the statements made and the information given by me are correct and that there are no facts which have been concealed.
4. That(name of the institution)..... has no objection if the ..(name of securities adviser/futures adviser/distributor).. or the SECP requests or obtains information about(name of the institution)..... from any third party.
5. That I undertake, on behalf of(name of the institution)..... that(name of the institution)..... will bring to the attention of the ... (name of securities adviser/futures adviser/distributor).... any matter which may potentially affect its status as sponsor of the ... (name of securities adviser/futures adviser/distributor).... as per the fit and proper criteria specified in the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017.
6. That all the documents provided to(name of securities adviser/futures adviser/distributor) are true copies of the originals and I have compared the copies with their respective originals and certify them to be true copies thereof.
7. I hereby confirm that no proceedings are pending with respect to the applicant's winding up, insolvency or analogous relief.
8. I,(name of the sponsor)....., have not been disqualified/ removed from the post of a key executive position of a company by the Commission or any other regulatory authority.
9.(name of the sponsor)..... has not been convicted in any criminal offence or directly involved in any settlement in civil/ criminal proceedings in a court of law, particularly with regard to moral turpitude, investments, financial/business misconduct, fraud/ forgery, breach of trust, financial crime etc. and/ or it has not been concluded by any regulatory authority that(name of the sponsor)..... have been associated with any unauthorized financial activity.

10.(name of the sponsor)....., undertake to obtain approval of the Commission before any change in sponsor of the applicant.
11.(name of the sponsor)....., has not provided false or misleading information either to the Commission or to any of the regulatory body, securities exchange, futures exchange, central depository or a clearing house.
12.(name of the sponsor)..... has not been actively involved in the management of a company whose registration or licence has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to financial irregularities or malpractices.
13.(name of the sponsor)..... has not entered into a plea bargain arrangement with the National Accountability Bureau.
14. No investigation is initiated by any Law Enforcement Agency (LEA) against(name of the sponsor)..... and in case any investigation has been initiated, the fact has been disclosed.

C. In case of an individual as authorized person on behalf of applicant:

I, _____ son/daughter/wife of _____ adult, resident of _____ and holding CNIC/ Passport No. _____, on behalf of(name of the applicant)..... do hereby state on solemn affirmation as under:-

1. That(name of the applicant)..... is eligible for applying for licence as a securities adviser/futures adviser/distributor as per the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017.
2. That(name of the applicant)....., and the companies, firms, sole proprietorship etc. associated with(name of the applicant)....., have no overdue payment to any financial institution.
3. That I hereby confirm that the statements made and the information given by me are correct and that there are no facts which have been concealed.

4. That(name of the applicant)..... has no objection if the securities exchange or the SECP requests or obtains information about(name of the applicant)..... from any third party.
5. That I undertake, on behalf of(name of the applicant)..... that(name of the applicant)..... will bring to the attention of the Commission any matter which may potentially affect its status as a securities adviser/futures adviser/distributor as per the licencing conditions and fit and proper criteria specified in the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017.
6. That all the documents provided by(name of applicant).... are true copies of the originals and I have compared the copies with their respective originals and certify them to be true copies thereof.
7. That the applicant will comply with any other condition as may be specified by the Commission.
8. I hereby confirm that no proceedings are pending with respect to the applicant's winding up, insolvency or analogous relief, where applicable.
9. I hereby confirm that(name of the applicant)..... has not been disqualified/ removed from the post of a key executive position of a company by the Commission or any other regulatory authority, where applicable.
10. I hereby confirm that(name of the applicant).....has not been convicted in any criminal offence or directly involved in any settlement in civil/ criminal proceedings in a court of law, particularly with regard to moral turpitude, investments, financial/business misconduct, fraud/ forgery, breach of trust, financial crime etc. and/ or it has not been concluded by any regulatory authority that I have been associated with any unauthorized financial activity.
11. I hereby confirm that(name of the applicant).....has not provided false or misleading information either to the Commission or to any of the regulatory body, securities exchange, futures exchange, central depository or a clearing house.
12. I hereby confirm that(name of the applicant).....has not been actively involved in the management of a company whose registration or licence has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to financial irregularities or malpractices.

13. I hereby confirm that(name of the applicant).....has not entered into a plea bargain arrangement with the National Accountability Bureau.

14. I hereby confirm that no investigation is initiated by any Law Enforcement Agency (LEA) against(name of the applicant).....and in case any investigation has been initiated, the fact has been disclosed.”;

(25) for the form A, the following shall be substituted, namely: -

“FORM OF APPLICATION FOR LICENCE AS A SECURITIES ADVISER/FUTURES ADVISER/ /DISTRIBUTOR

[see regulation 5(1)]

To

The Securities and Exchange Commission of Pakistan,
Islamabad.

Dear Sir,

1. I/We, ...(name of applicant or where applicable name of company)....., hereby apply for the licence ofsecurities adviser and/orfutures adviser (for futures based on securities and/or commodities and/or financial instruments) and/or distributor undersection 68 of the Securities Act, 2015 and/or section 51 of the Futures Market Act, 2016.....

2. Certified true copies of all the documents specified in Annexure B of the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017 are enclosed.

3. Original receipt of the bank for the fee of Rs.....being the licensing fee is enclosed.

Yours faithfully,

Signature of the applicant or where applicable applicant’s chief executive officer, company secretary or chief financial officer duly authorized by the board of directors of the applicant through a resolution for signing and submission of this application.”;

(26) In Annexure B,-

(a) in the heading, after the words “Futures Adviser” the expression “/Distributor” shall be inserted;

(b) In para (1), in sub-para (1.1) after the words “business address,” the expression “contact number,” shall be inserted and thereafter sub-para (1.5) shall be omitted;

(d) In para (3), in sub-para (3.3) after the words “futures adviser” the expression “/distributor” shall be inserted;

(27) for Schedule I following shall be substituted, namely: -

“Schedule I
[see regulation 5(1) and 8(1)]
SECURITIES & EXCHANGE COMMISSION OF PAKISTAN
SCHEDULE OF FEE

Description of fee	Amount of fee in PKR	
	Individual Applications	Corporate Applicants
Fee to be paid at the time of applying for licence as a securities adviser and/ or futures adviser and/ or distributor.	20,000	40,000
Fee to be paid at the time of applying for renewal of licence as a securities adviser or futures adviser and/ or distributor.	10,000	20,000

** The above licence/renewal fees will be charged separately for each licence. However, fee for distributor shall not be applicable on securities adviser.*

** The above fees shall be deposited into the designated bank account of the Commission, alongwith applicable collection charges.*

(28) for form B, the following shall be substituted, namely: -

“Form B
[see regulation 7(2)]

**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
LICENCE TO ACT AS A SECURITIES/FUTURES ADVISER**

Licence No. _____

Islamabad, ___(date)_____

1. The Securities and Exchange Commission of Pakistan having considered the application by (Name of the company/applicant).... for the licence of securities adviser and/or futures adviser (for futures based on securities and/or commodities and/or financial instruments) and/or distributor under section68 of the Securities Act, 2015 and/or section 51 of the Futures Market Act, 2016....., and being satisfied that the said applicant is eligible for a licence under the said category(ies) and that it would be in public interest and in the interest of the capital market so to do, hereby grants licence, in exercise of the powers conferred by section69 of the Securities Act, 2015 and/or section 52 of the Futures Market Act, 2016... to(name of the company/applicant).... assecurities adviser and/or futures adviser (for futures based on securities and/or commodities and/or financial instruments) and/or distributor subject to the provisions of theSecurities Act, 2015 and/or Futures Market Act, 2016..... and the rules and regulations made thereunder, as amended from time to time.

2. This licence is valid up to one year from the date of issuance.

Signature of the Officer”;

(29) in form C, in the heading after the expression “SECURITIES/FUTURES ADVISER” the expression “/DISTRIBUTOR” shall be inserted and thereafter para 1. shall be substituted as follows:

“I/We (Name of the applicant) ... having licence number hereby apply for renewal of the licence ofsecurities adviser and/or futures adviser (for futures based on securities and/or commodities and/or financial instruments) and/or distributor.... under section 69 of the Securities Act, 2015 and/or section 52 of the Futures Market Act, 2016..... ; and

(30) for form D, the following shall be substituted, namely: -

“FORM D
[see regulation 8(2)]

**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN CERTIFICATE OF RENEWAL OF
LICENCE AS SECURITIES ADVISER/FUTURES ADVISER/DISTRIBUTOR**

Licence No. _____

Islamabad, ____ (date) _____

1. The Securities and Exchange Commission of Pakistan having considered the application for renewal of licence of asecurities adviser and/or futures adviser (for futures based on securities and/or commodities) and/or distributor of CIS/ VPF units by(Name of the company/applicant)....,

and being satisfied that the saidsecurities adviser and/or futures adviser and/or distributor of CIS/ VPF units is eligible for renewal of licence and that it would be in public interest and in the interest of the capital market so to do, hereby grants renewal of licence to(Name of the company/applicant)...., as asecurities adviser and/or futures adviser (for futures based on securities and/or commodities and/or financial instruments) and/or distributor of CIS/VPF units... in exercise of the powers conferred by section69 of the Securities Act, 2015 and/or section 52 of the Futures Market Act, 2016...., for one year subject to the provisions of theSecurities Act, 2015 and/or Futures Market Act, 2016... and the rules and regulations made thereunder, as amended from time to time.

Signature of the Officer”.

[File No. SMD/SE/2(267)2016]



(Bilal Rasul)
Secretary to the Commission