

## SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*Islamabad, 6<sup>th</sup> December, 2017*

### NOTIFICATION

**S. R. O. 1239 (I)/2017.** - In exercise of powers conferred by section 510 read with clause (a) of sub-section (3) of section 199 of the Companies Act, 2017 (XIX of 2017) and in supersession of its earlier notification S.R.O. 704(I)/2011 dated July 13, 2011, the Securities and Exchange Commission of Pakistan is pleased to specify the following classes of companies to which the restriction provided in sub-section (1) of section 199 of the Act shall not apply to the extent provided hereunder:

- (a) A banking company duly licensed by the State Bank of Pakistan, to the extent of investments made in the ordinary course of its business, excluding equity investments;
- (b) A Development Finance Institution duly licensed by the State Bank of Pakistan, to the extent of investments made in the ordinary course of its business, excluding equity investments;
- (c) A Non-Banking Finance Company ("NBFC") duly licensed by the Commission, to the extent of investments made in the ordinary course of its business, excluding equity investments;
- (d) An NBFC duly licensed by the Commission to carry out Investment Advisory Services or Asset Management Services, to the extent of investments made in a Collective Investment Scheme being managed by such NBFC;
- (e) A Modaraba Management Company, to the extent of investments made in a Modaraba being managed by such company;
- (f) A holding company, to the extent of investments made in its wholly owned subsidiary:


Provided that any disinvestment by a holding company which would reduce its holding in the subsidiary, in which an investment was made pursuant to this exemption, to less than seventy percent shall be made under the authority of a special resolution;

- (g) A company whose principal business is the acquisition of shares, stock, debentures or other securities, to the extent of acquisition of such securities on behalf of its clients in the ordinary course of its business;

- (h) Associated companies of NBFCs licensed to undertake asset management services for making investment (other than seed capital) in the open end schemes managed by such NBFCs;
- (i) A private company which is not a subsidiary of a public company;
- (j) Companies making investment in the form of deposits with associated banking company duly licensed by the State Bank of Pakistan or NBFC duly licensed by the Commission provided that the rate of return should not be less than prevailing market rate of return on similar deposits;
- (k) Any investment made by an investment Company, as defined in Non-Banking Finance Companies and Notified Entities Regulations, 2008, in accordance with its investment policy given in the prospectus.

---

[CSD/W-II/RegulationsSec199/112/2017]

  
( Bilal Rasul )  
Secretary to the Commission