



MEMORANDUM OF UNDERSTANDING

BETWEEN

PUNJAB INFORMATION TECHNOLOGY BOARD

AND

SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

FOR

SOFTWARE DEVELOPMENT TO REVAMP E-SERVICES PORTAL



This Memorandum of Understanding (hereinafter referred to as "MOU") is made at Lahore/Islamabad on 3rd day of August, 2017 by and

BETWEEN

Punjab Information Technology Board, Lahore, having its Office at 11th Floor, Arfa Software Technology Park, 346-B, Ferozpur Road, Lahore, through its Chairman, Dr. Umar Saif (hereinafter referred to as the "PITB" which expression shall, where the context so admits, mean and include its successors-in-interest, nominees, legal representatives, administrators, and permitted assigns) of the One Part;

AND

Securities and Exchange Commission of Pakistan, having its office at NIC building, 63 Jinnah Avenue, Blue Area, Islamabad, through its Acting Chairman, Mr. Zafar Abdullah (hereinafter referred to as the "SECP" which expression shall, where the context so admits, mean and include its successors-in-interest, nominees, legal representatives, administrators, and permitted assigns) of the Other Part;

(PITB and SECP may hereinafter collectively be referred to as the "Parties" and singly as a "Party").

WHEREAS

A. PITB is set up by the Government of Punjab as an autonomous body through the PITB Ordinance 1999, to use synergies of the IT industry, academic institutions, and the government representatives on the PITB board to develop and implement

consequential strategies, to enable our partner organizations to achieve their IT potential. PITB's mission is to develop Information Technology as a major sphere of economic activity for sustainable development, and promote its use in the public and private sectors for increasing efficiency and competitiveness.

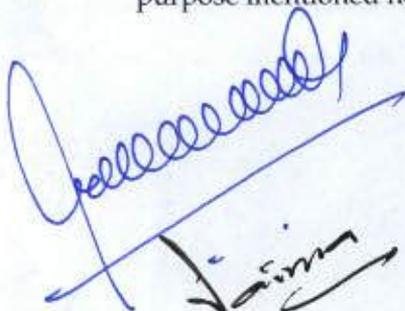
B. SECP is established in pursuance of the Securities and Exchange Commission of Pakistan Act, 1997. The mandate of the SECP includes the Regulation of corporate sector and capital market, Supervision and regulation of insurance companies, Supervision and regulation of non-banking finance companies and private pension schemes, Oversight of various external service providers to the corporate and financial sectors, including chartered accountants, credit rating agencies, corporate secretaries, brokers, surveyors etc. The head office of the SECP is in Islamabad and company registration offices are located in Islamabad, Peshawar, Lahore, Faisalabad, Multan, Sukkur, Karachi, Quetta and Gilgit.

C. This MOU is made for the implementation of a system to replace the existing eServices portal of SECP as well as maintenance and support of the new system for one year including training of SECP's employees. Implementation covers development, configuration and deployment of current and new business processes and related systems and services, integration with existing and required systems, to the extent possible, and migration of required data from existing relevant systems to the new system.

NOW, THEREFORE, for good and valuable consideration the adequacy whereof is hereby confirmed and the mutual benefits to be derived therefrom, the representations and warranties, covenants, conditions and promises contained herein below, the Parties hereby agree as follows:

1. PURPOSE

- i. To document and agree upon terms, conditions and respective responsibilities of the Joint Partnership for IT services stated herein.
- ii. Parties to this MOU agree to mutually share the expertise, knowledge, resources, cooperation, assistance and services pertaining to the successful execution of the purpose mentioned herein.



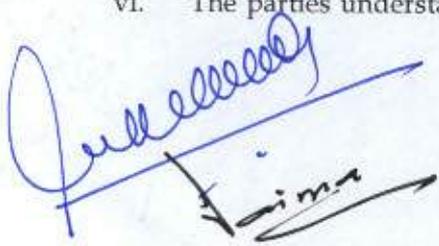
2. SCOPE & OBJECTIVES

- i. SECP hereby engages PITB and PITB hereby agree to be engaged by SECP to revamp e-Services portal as per mutually agreed requirements.
- ii. PITB offers SECP an end-to-end development solution from conceptualization to deployment and maintenance, enabling transfer of existing data, feature enhancements, managements' dashboard and support in growing business requirements. With the help and input of SECP, PITB shall define requirements and specifications, design, develop, test and integrate the custom solution to function in new operating environments to meet the challenges faced in the existing system as mentioned below:
 - a. GUI is not user-friendly and is not up to the web 2.0 standards
 - b. Outdated, cumbersome reporting mechanism, integration and mapping etc.
 - c. Different software components are not interlinked according to the management's needs
 - d. Non-availability of system to internal and external users due to periodic shutdowns/downtime
 - e. Non-availability of accurate reporting at times
 - f. Lot of complaints being received regarding downtime of eServices portal
 - g. System is not intelligent to cater for requirements as generation of alerts, acceptance/rejection of documents
- iii. The new system should be a web based interactive and intelligent automated Workflow Portal. The Portal should be capable of processing complex business requirements in effective manner. The Portal will provide a single point of entry for all types of users.
- iv. The new system will in fact be a third generation system, which should cater to and address all shortcomings of the existing eServices Portal, and has to be an innovative and state-of-the-art system.
- v. There are more than 200 business processes, which have to be implemented in the new system. This includes more than 60 business processes that are currently part of eServices. These business processes have to be implemented in a phased approach, which will require both eServices and the new system to run in parallel. The running of the new system will be the responsibility of the PITB while SECP will be responsible for running the existing system. Both the systems will run independently of each other.

- vi. All the modules will be connected to the central database through Client-Server architecture. The System will be deployed centrally. Each Location will be connected to the Data Centre over the internet for data processing and reporting.
- vii. The new system will lead SECP to achieve the following objectives:
 - a. reduce time and effort
 - b. rebranding and enhancing system experience for all stakeholders
 - c. make the system easier to update
 - d. improve online communication, information and education to the users
 - e. provide higher authorities with information & support for effective decision making along with feedback on daily operations
 - f. serve as a link between higher authorities for planning and monitoring
 - g. robust reporting mechanism to facilitate the management to evaluate and improve performance
 - h. facilitate integration of specialized activities by keeping each wing aware of the problem and requirements of other wings
 - i. connect all decision centers in the organization
 - j. frequent checks against overall project quality standards
- viii. All documents, source code and artefacts produced during the analysis, design, implementation, testing and operations of the project will be the property of SECP

3. GENERAL TERMS AND CONDITIONS

- i. The parties hereto undertake and develop understanding about the process automation and capacity building for stakeholders.
- ii. Activities to be performed under this MOU shall be subjected to the applicable laws and regulations of Pakistan.
- iii. This MOU does not create legal binding obligation on either of the parties and does not create any legal right enforceable against the parties or of their officers/employees or any other person. The MOU also does not confer upon any third party the right or ability directly or indirectly to obtain, suppress or exclude any information, or to challenge the execution of a request under the MOU.
- iv. Nothing in this MOU modifies in any way the ability and responsibility of the parties to enforce their respective statues, rules and regulations.
- v. Nothing in this MOU shall be construed as implying that either party's employees are employee of the other party.
- vi. The parties understand and agree that they will need to enter into independent



agreements/ suitable arrangements for task/ assignment/ specific collaboration/ job completion other than this MOU which involves financial and other commitments.

- vii. Parties shall use their best endeavor in good faith to abide by the responsibilities laid down in this MOU.
- viii. This MOU together constitutes the entire mutual undertaking of the Parties with respect to the subject matter thereof.

4. RESPONSIBILITIES OF THE PARTIES

The responsibilities of the parties shall be as follows:

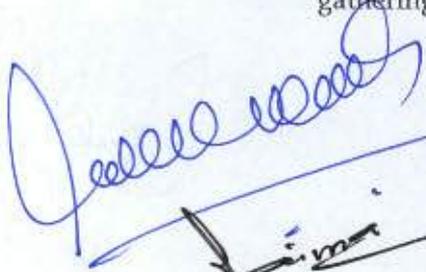
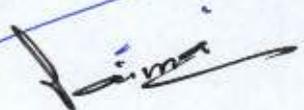
I. PITB

- i. Revamp e-Services portal according to the scope described and mutually agreed (for all the stakeholders as mentioned at 5).
- ii. Identify all software and hardware technologies that are to be used
- iii. Collect and interpret need based requirements for process automation and subsequently develop & deploy the required systems
- iv. Review of the business processes provided by SECP
- v. Provide feedback on the business processes to ensure that these are framed in accordance with best business practices and efficient turnover time
- vi. Implement the architecture framework and processes according to the proper development methodologies
- vii. Certify the timely execution of assigned task(s) in compliance as mutually agreed
- viii. Implementation of new requirements, change requests(s) and enhancements in future as per mutual understanding /agreement of both parties
- ix. Perform unit, module/ integration testing and conduct UAT by following the proper testing methodologies
- x. Deployment of each process after acceptance by SECP through proper UAT according to proper deployment and release management strategy and methodology
- xi. Provide technical advice/ guidance whenever required

- xii. Hardware and IT Infrastructure recommendation to determine the usability and suggesting enhancement as required
- xiii. Work with SECP IT infrastructure team to help and deploy the system strategically or provide managed hosting solution for e-Services (if required) with the following supporting features:
 - a. Ensure infrastructure with high availability, reliability and secure quality services
 - b. Online system monitoring through Network Management System (NMS)
 - c. Availability of efficient technical support and maintenance services
 - d. 99.9% up-time
 - e. Ensure safety of data (Disaster Recovery)
 - f. Extend the resources as per future aspects and load conditions
 - g. Load balancing for annual return filling operations during the season
- xiv. Training(s) and capacity building of SECP employees on new system, including future enhancements, for managing operations related to process automation, as per mutually agreed requirements.
- xv. Submit necessary documents like design/ architecture documents, Technical/ User Guides, etc.
- xvi. Provide Support/Maintenance after the deployment of the system, including all business processes, business reports, monitoring reports, integrations, performance monitoring and tuning, etc. in production according to the mutually agreed Service Level Agreement (SLA)
- xvii. Nominate a project manager for analysis, design, development, testing, deployment and operations of the project

II. SECP

- i. Provide the information and support during requirements gathering and data migration phase

- ii. Approve business requirements before initiating the implementation of each process
- iii. Approve the application design and information flow for each process and module at every stage
- iv. Liaison with PITB for early completion of assigned task(s)
- v. Provide comprehensive SOPs related to execution and implementation of systems
- vi. Nominate focal person from IS&T Department and Business Process Owner from each Division/ Department
- vii. User Acceptance Test (UAT)
- viii. Hardware availability for deployment
- ix. Software availability for deployment
- x. Facilitation for meetings/ trainings
- xi. Perform data verification activity, as and when required
- xii. Bear all the expenses in the process, not limited to:
 - a. Hosting of all applications
 - b. SMS services and related expenses
 - c. Any hardware to be procured
 - d. Any software to be procured
 - e. Boarding, lodging and travel arrangements for PITB officials to the extent agreed

III. PITB and SECP

Both the Parties shall nominate a focal person to monitor the progress of the project and to identify mechanism for addressing any major decisions and issues related to the project.

5. STAKEHOLDERS

The stakeholders of the system are as follows:

- i. Applicants (new and existing)
- ii. Business Consultants/intermediaries
- iii. SECP Management
- iv. Corporatization and Compliance Department
- v. Company Registration Offices
- vi. Corporate Supervision Department

- vii. Specialized Companies Division
- viii. Information Systems & Technology Department
- ix. Securities Market Division
- x. Insurance Division
- xi. SECP Complaint and Service Center

6. EFFECTIVE DATE, DURATION AND TERMINATION

This MOU becomes effective on the day it is signed by the parties and shall be valid for three (03) years period or continue to be effective until the expiry of thirty (30) days after either party gives written notice to the other party of its intention to terminate. This MOU will continue to have effect with respect to all requests of assistance that were made before the effective date of termination. In case this MOU is terminated, all the exchanged information during the currency of this MOU will remain confidential and will be treated according to the provisions of this MOU.

7. AMENDMENTS

This MOU shall be modified or amended only through signed documentation mutually agreed upon by the Parties.

8. DISPUTE RESOLUTION

In the event of any controversy, claim or dispute arising out of or relating to this MOU or the breach, termination, interpretation or validity thereof, including the determination of the scope or applicability of this MOU, the Parties shall, within fourteen (14) days of a written request from the other party, meet in a good faith effort to resolve the dispute.

9. OBLIGATION OF CONFIDENTIALITY AND INFORMATION SHARING

To the extent permitted by applicable laws and in accordance with such applicable laws, the Parties shall establish and maintain such safeguards as are necessary and appropriate to maintain the confidentiality of all non-public information (written or oral or visual and/ or sample) and services obtained under this MOU. None of the Parties directly or indirectly shall furnish to any third party or make public any information or portions thereof or make public use of nonpublic information



obtained from any other Party under this MOU without prior written approval of that concerned party.

10. INDEMNITY

The Parties shall indemnify and keep the other Party indemnified and harmless against any and all claims, actions, damages, or proceedings by third Party (including but not limited to all costs, expenses, damages, losses arising out of or in connection with this MOU).

11. SEVERABILITY

A determination that any term of this MOU is invalid for any reason shall not affect the validity of the remaining terms of this MOU.

IN WITNESS WHEREOF, the Parties through their respective representatives hereby execute this MOU. This MOU shall become effective from the date of signing.

ON BEHALF OF

Securities & Exchange Commission of Pakistan



Zafar Abdullah

Acting Chairman, SECP

ON BEHALF OF

Punjab Information Technology Board



Dr. Umar Saif

Chairman, PITB

WITNESS-I



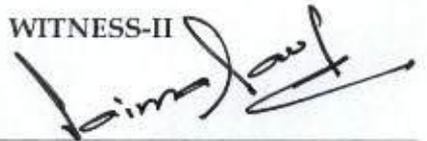
Tahir Mahmood

Commissioner

(Corporatization & Compliance)

SECP

WITNESS-II



Saima R Shaikh

Director (Training & Development)

PITB

