

Islamabad, July 13, 2011

NOTIFICATION

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S.R.O. (I)/2011 In exercise of the powers conferred by clause (a) of sub-section (2A) of Section 208 of the Companies Ordinance, 1984 (XLVII of 1984), and in supersession of its notifications No. SRO 819(1) 2007 dated August 10, 2007 and SRO 684(1)/2008 dated June 27, 2008, the Securities and Exchange Commission of Pakistan is pleased to notify that the following class of companies shall be exempt from the requirements of Section 208 of the Ordinance 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) A 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 75% 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 or borrowing cost of investing company;

- 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.
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(Abdul Rehman Qureshi)
Advisor/Secretary