



Securities and Exchange Commission of Pakistan
Specialized Companies Division
NBFC Department

No. NBFC/ED/PR-NBFCs/

June 1, 2005

CIRCULAR NO. 5 OF 2005

Subject: Prudential Regulations for NBFCs

In partial modification of Circular No. 2 of 2004 circulated by NBFC Department *vide* letter No. SC/NBFC-PR/43/2004 dated 21 January 2004 following amendment has been made in sub-clause (iii) of clause (i) of PR (1) in Part -I of ' Prudential Regulations For Non Banking Finance Companies (NBFCs)': -

"(iii) **Substantial ownership/affiliation** means beneficial share holding of more than 10% by a person and / or by his dependent family members, which will include his/her spouse, dependent lineal ascendants and descendants and dependent brothers and sisters. However, shareholding in or by the Government owned entities and financial institutions will not constitute substantial ownership affiliation, for the purpose of these Prudential Regulations."

All other instructions on the subject shall however, remain unchanged.

(Rashid Sadiq)
Executive Director (NBFCD)

Distribution:

1. CEOs/Presidents/ Chairmen of all NBFCs;
2. Chief Executive of Stock Exchange Karachi, Lahore and Islamabad;
3. The President, Institute of Chartered Accounts Of Pakistan;
4. The President, Institute of Cost and Management Accountants of Pakistan;
5. All Officers of the Commission;
6. IT Department of the Commission for posting on website.