

# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, the, 18<sup>th</sup> October, 2005

## NOTIFICATION

S.R.O.1061(I)/2005.- In exercise of the powers conferred by section 10 of the Securities and Exchange Commission of Pakistan Act, 1997 (the Act) read with section 20(4)(o) thereof, and in supersession of its notifications No. S.R.O.162(I)/2004 dated 17<sup>th</sup> March, 2004, No. S.R.O.208(I)/2004 dated 9<sup>th</sup> April, 2004, No. S.R.O.406(I)/2005 dated 10<sup>th</sup> May 2005, No.S.R.O.710(I)/2005 dated 12<sup>th</sup> July, 2005, No. S.R.O.847(I)/2005 dated 19<sup>th</sup> August, 2005 and No.S.R.O.899(I)/2005 dated 2<sup>nd</sup> September 2005, the Securities and Exchange Commission of Pakistan (the Commission), subject to such conditions and limitations as it may from time to time impose, hereby delegates the following powers and functions of the Commission to its Commissioners and officers, namely:-

### **POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO COMMISSIONERS.**

#### **1. Commissioner (Company Law Division)**

##### **(a) REGISTRATION DEPARTMENT**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Companies Ordinance, 1984</u></b>	<b><u>Nature of power/function</u></b>
1.	42	To grant of licence to associations not for profit.
2.	186	To take cognizance of contravention of sections 174 to 185, if penalty involves debarment of director(s) in addition to fine, in the case of a private or non-listed public company.
3.	246(1)	To require private and non-listed public companies to submit additional statements and accounts.
4.	270	To prosecute the accused in consequence of determination in an inspector's report.
5.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Commissioner through delegation of powers.
6.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
7.	479	To issue a directive to the chief executive or other officer of the company to appear before him personally and answer the charges.

8.	484(2)	To review the order originally made by him.
9.	488	To grant relief in cases in which the powers have been delegated by the Commission.
10.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.
11.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<u>S. No.</u>	<u>Companies (General Provisions and Forms) Rules, 1985</u>	<u>Nature of power/function</u>
1.	6(4)(iii)	To approve change in the Memorandum and Articles of Associations of companies formed under section 42 of the Companies Ordinance, 1984.

<u>S. No.</u>	<u>Relevant rule of the Companies (Invitation and Acceptance of Deposits) Rules, 1987</u>	<u>Nature of power/function</u>
1.	6(4)	Approval of Commission for advertisement to invite deposits.
2.	7(c)	Approval of Commission for accepting deposits without issuing advertisement.

(b) **ENFORCEMENT DEPARTMENT**

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	246(1)	To require listed companies to submit additional statements and reports.
2.	270	To prosecute the accused in consequence of determination in an inspector's report.
3.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Commissioner through delegation of powers.
4.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.

5.	479	To issue a directive to the chief executive or other officer of the company to appear before him personally and answer the charges.
6.	484(2)	To review the order originally made by him.
7.	488	To grant relief in cases in which the powers have been delegated by the Commission.
8.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.
9.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Companies Share Capital (Variation in Rights &amp; Privileges) Rules, 2000</u></b>	<b><u>Nature of power/function</u></b>
1.	5(1)	Approval of Commission for issue of further share capital carrying different rights (for public listed companies)

2. **Commissioner (Securities Market Division)**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Companies Ordinance, 1984</u></b>	<b><u>Nature of power/function</u></b>
1.	57	Approval of prospectus.
2.	62	Approval for sale of shares or debentures to general public by a person holding more than ten percent of the shares or debentures.
3.	67(1)	To specify the minimum amount for which application can be made.
4.	67(2)	To prescribe the form of application for subscription to shares or debentures.
5.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Commissioner through delegation of powers.
6.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.

7.	479	To issue a directive to the chief executive or other officer of the company to appear before him personally and answer the charge.
8.	484(2)	To review the order originally made by him.
9.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.
10.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Companies (Buy- Back of Shares) Rules, 1999</u></b>	<b><u>Nature of power/function</u></b>
1.	3(1)	Permission to purchase of share of higher debt-equity ratio than specified

<b><u>S.No.</u></b>	<b><u>Relevant section of the Securities and Exchange Ordinance, 1969</u></b>	<b><u>Nature of power/function</u></b>
1.	15B	Prosecution of persons involved in the insider trading.
2.	34(1)	To approve regulations of stock exchanges.

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Companies (Asset Backed Securitization) Rules, 1999</u></b>	<b><u>Nature of power/function</u></b>
1.	6(3)	Appointment of administrator to manage SPV
2.	7(a)	Approval of Commission for merger.

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Members, Agents And Traders (Eligibility Standard) Rules 2001</u></b>	<b><u>Nature of power/function</u></b>
1.	3(f)	Power to relax education requirement

<b><u>S. No.</u></b>	<b><u>Relevant section of CDC Act, 1997</u></b>	<b><u>Nature of power/function</u></b>
1.	33	To exercise power of court as per section 33, in matters for which power of Commission has been delegated to him.
2.	35(1), (4) & (5)	Power to approve, amend and rescind any regulation or to give direction to this effect.

### 3. **Commissioner (Specialized Companies Division)**

#### (a) **NBFC DEPARTMENT**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Companies Ordinance, 1984</u></b>	<b><u>Nature of power/function</u></b>
1.	246(1)	To require companies to submit additional statements and accounts.
2.	270	To prosecute the accused in consequence of determination in an inspector's report.
3.	282C(1)	To accord approval for incorporation of an NBFC.
4.	282C(2)	Grant of licence to NBFCs.
5.	282C(3)	Grant of licence to a company in existence engaged in one or more forms of business specified in section 282A.
6.	282E	To remove chairman, director or chief executive and to take all other actions under this section.
7.	282F	To supersede the Board of Directors and appoint a new person to exercise the powers of the Board and to take all other actions under this section.
8.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Commissioner through delegation of powers.
9.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
10.	479	To issue a directive to the chief executive or other officer of the company to appear before him personally and answer the charges.
11.	484(2)	To review the order originally made by him.
12.	488	To grant relief in cases in which the powers have been delegated by the Commission.
13.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.

14.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.
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<u>S. No.</u>	<u>Relevant rules of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003</u>	<u>Nature of power/function</u>
1.	4(2)	Permission to establish a NBFC.
2.	5(2)	Grant of licence for carrying one or more forms of business by a NBFC.
3.	5(3)	Imposition of conditions while granting licence.
4.	6(2)	Imposition of any other conditions subsequent to the grant of licence to the NBFC.
5.	12(2)	Permission to NBFC to issue certificates of investment or deposit.
6.	14	To specify any other conditions for undertaking investment finance services.
7.	14(a)(i)	To specify any other conditions regarding issuance of certificates of deposit or short term paper or investments.
8.	20	To specify any other conditions for undertaking housing finance services.
9.	20(j)(i)	Approval of commercial paper, any security and deposits of not less than thirty days maturity.
10.	23	Notification regarding receiving funds by NBFC for investment in venture projects through private placement of such securities.
11.	26(3)	Grant of licence to a venture capital fund.
12.	26(4)	Imposition of any conditions while granting licence to a venture capital fund.
13.	29	Notification regarding raising and receiving funds by venture capital fund for investment in venture projects through private placement of such securities.
14.	32(4)	Appointment of Administrator to manage the affairs of the fund.
15.	35(1)(b)	Removal of NBFC from the office of investment adviser of a closed-end fund.
16.	35(5)	Appointment of Administrator, to manage the affairs of the closed-end fund.
17.	35(6)	To determine remuneration to be paid to the Administrator by the closed-end fund.

18.	35(8)	Permission to the investment company or trustee to appoint another person as investment adviser.
19.	49(2)(Proviso)	Notification of other conditions in the official Gazette regarding investment of closed-end fund.
20.	49(5)	Relaxation in any or all conditions prescribed in the rule.
21.	71(4)(Proviso)	Relaxation in any, or all of the requirements regarding investment of scheme.
22.	71(5)	Specification of period regarding exemption of investments from restrictions in sub-rule (3) and (4).
23.	82(1)(b)	Removal of NBFC from the office of asset management company of the scheme.
24.	82(2)	Appointment of another asset management company to manage the scheme or schemes in case of cancellation of registration of an asset management company.
25.	82(3)	Approval for transfer of management of a scheme to another asset management company and cancellation of licence, on application of an asset management company.

<u>S. No.</u>	<u>Relevant section of the Modaraba Companies and Modaraba Ordinance, 1980</u>	<u>Nature of power/function</u>
1.	31	Power to prosecute in case of violation of statutory provisions.

<u>S. No.</u>	<u>Relevant rule of the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000</u>	<u>Nature of power/function</u>
1.	5(1)	Approval of Commission for issue of further share capital carrying different rights (for NBFCs).

**(b) INSURANCE DEPARTMENT**

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	246(1)	To require companies to submit additional statements and accounts.

2.	270	To prosecute the accused in consequence of determination in an inspector's report.
3.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Commissioner through delegation of powers.
4.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
5.	479	To issue a directive to the chief executive or other officer of the insurance company to appear before him personally and answer the charges.
6.	484(2)	To review the order originally made by him.
7.	488	To grant relief in cases in which the powers have been delegated by the Commission.
8.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.
9.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Companies Share Capital (Variation in Rights &amp; Privileges) Rules, 2000</u></b>	<b><u>Nature of power/function</u></b>
1.	5(1)	Approval of Commission for issue of further share capital carrying different rights (for insurance companies).

<b><u>S. No.</u></b>	<b><u>Relevant section of the Insurance Ordinance, 2000</u></b>	<b><u>Nature of power/function</u></b>
1.	7(6)	To specify any class, classes or sub-classes of business, which the insurer is not authorized to carry on.
2.	9(2)	To revoke the registration of insurer to carry on insurance business on a request in writing.
3.	12(1)	To evaluate the insurer or applicant for registration as an insurer under the criteria for sound and prudent management.
4.	32(1)(d)	To declare those assets as are to be admissible for the purposes of Part-V of the Ordinance.

5.	32(9)	To declare assets as not to be admissible assets of an insurer or a life-insurance statutory fund maintained by an insurer, under clause (w) of sub-section (2) of section 32.
6.	48(1)	To approve the auditor as qualified to perform audits of insurance companies.
7.	48(4)	To impose penalties on the auditor.
8.	56	To take action as per provisions (a) to (d) of section 56 for inaccurate or defective submission of returns.
9.	60(2)	To modify or cancel any direction given under sub-section (1) section 60.
10.	65(1)	To refer the case of removal of chairman, director or officer of the insurer to the Insurance Tribunal, with the approval of Chairman.
11.	67(1)	To grant approval for acquisition of a shareholding of more than ten percent.
12.	76(5)	To levy fine on the insurer.
13.	102(6)	To cancel or refuse to issue or renew a broking license.
14.	102(7)	To apply for an order from the Tribunal that a person is disqualified from acting as an insurance broker.
15.	126(3)(d)	To appoint medical practitioner to disqualify the Insurance Ombudsman on medical grounds.
16.	126(4)	To appoint a secretariat for Insurance Ombudsman and to determine costs of the secretariat.
17.	130(2)	To pass order on the appeal filed by an insurance company, or official of an insurance company or a complainant aggrieved by an order passed by the Insurance Ombudsman.
18.	130(3)	To impose fine or penalty on a insurance company on the decision taken by the Insurance Ombudsman.
19.	135(1)	To appoint an administrator of insurance company, with the approval of Chairman.
20.	135(2)	To prescribe the remuneration of the administrator, cancel his appointment and appoint another person as administrator, with the approval of Chairman.
21.	135(5)	To issue directions to the Administrator.
22.	136(2)	To take action on the report of the administrator.
23.	139	To terminate the appointment of an administrator.
24.	143(2)(c)	To apply to the court for winding up of insurance company.

25.	149(1)	To apply to the court for directions regarding any matter arising in connection with or upon the winding-up of an insurer.
26.	156	To impose penalty on insurer for default in complying with, or acting in contravention of this Ordinance.
27.	157(1)	To impose penalty on insurer for transacting insurance business in contravention of sections 5, 6 and 29.
28.	157(2)	To impose fine on a person knowingly taking out a policy of insurance with any insurer or a person guilty of an offence under sub-section (1).

<u>S. No.</u>	<u>Relevant rule of the Securities and Exchange Commission (Insurance) Rules, 2002</u>	<u>Nature of power/function</u>
1.	23	To authorize any person to make compliance visits under Section 84 and 110 of the Ordinance

<u>S. No.</u>	<u>Relevant rule of the Insurance Rules, 2002 (Federal Government)</u>	<u>Nature of power/function</u>
1.	16(3)	To grant a certificate of registration as an authorized surveying officer under section 113 of the Ordinance that will specify the class of insurance surveyors.

<u>S. No.</u>	<u>Relevant rule of the Voluntary Pension System Rules, 2005</u>	<u>Nature of power/function</u>
1.	2(1)(q)	To prescribe the conditions for the Pension Fund Manager from time to time, for efficacious management of the fund.
2.	4(b)	To determine credit rating of the company to become eligible for registration as a Pension Fund Manager.
3.	6(a)	To cancel or suspend the registration of the company as a Pension Fund Manager.
4.	6(b)	To remove the company managing the pension fund.
5.	6(c)	To issue, cease and desist orders to the company.
6.	6(d)	To order compensation to be paid to the participants.
7.	6(e)	To ban defaulters to be employed within the security market temporarily or permanently.
8.	6(f)	To impose fine.

9.	6(3)	To appoint another company as a pension fund manager in case registration of the first company as a pension fund manager is cancelled.
10.	6(4)	To approve transfer of management of the pension fund from one Pension Fund Manager to another Pension Fund Manager and cancellation of registration of former Pension Fund Manager.
11.	9(2)	To allow additional sub-funds of the Pension Fund.
12.	9(3)(b)	To determine the time period for investment of seed capital of fifty million rupees in each of the sub-fund.
13.	9(3)(b) Proviso	To modify the requirement of seed capital.
14.	10(1)	To approve de-authorization of the Pension Fund on the request of the pension fund manager.
15.	10(2)	To de-authorize the Pension Fund
16.	10(4)	To approve transfer of the individual pension accounts of the participants from one Pension Fund Manager to another Pension Fund Manager.
17.	11(2)	To review the rates of the fees payable by the participants to the Pension Fund Manager.
18.	12(2)	To review the eligibility criteria to contribute to the Pension Fund authorised under these rules.
19.	24(2)	To determine the division of pension fund into different sub-funds.
20.	24(3)	To determine investment policy of the pension fund.
21.	25(2)	To approve the contract between the pension fund manager and the investment advisor.
22.	32	To approve retirement of trustees.
23.	34	To approve remuneration of the trustees.
24.	44(c)	To nominate one or more persons for appointment as member of the Board of Directors of the Pension Fund Manager.

4. **Commissioner (Professional Services and Policy Division)**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Securities and Exchange Ordinance, 1969</u></b>	<b><u>Nature of power/function</u></b>
1.	32B	To regulate credit rating companies.

<u>S. No.</u>	<u>Relevant rule of the Credit Rating Companies Rules, 1995</u>	<u>Nature of power/function</u>
1.	9(3)	Cessation of applicability of rule 3(b)

In addition to above, powers of the Commission as per rules prescribed or regulations made under a particular section of any of the relevant corporate laws are also delegated to the Commissioner concerned, if powers and functions of the Commission provided in such particular section have been delegated to him through this notification.

Besides, the Commissioners shall be responsible to oversee the working of respective Divisions.

Explanation: ‘Overseeing of working’ means overall supervision of the Division for the improvement of efficiency and to ensure that the powers are exercised and functions are performed within the regulatory frame work and also that the policy decisions are carried out effectively. It may include providing guidance and power to issue necessary directives; and introducing an efficient reporting system so as to keep the Commission and its Commissioners posted with the working of the Division.

#### **POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO EXECUTIVE DIRECTORS AND OTHER OFFICERS**

##### **1. Executive Director (Registration Department)**

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	30(4)(b)	To hear appeal against order of the Registrar.
2.	44	To approve the conversion of a public company into a private company.
3.	78A	To process the appeal against refusal for registration of transfer or transmission of shares of a private or non-listed public company.
4.	84	To sanction issue of shares of private and non-listed companies at discount and to extend the time beyond sixty days after the date on which the sanction is issued.
5.	86	To allow a public non-listed company to raise its further capital without issue of right shares.
6.	131	To adjudicate and order rectification of register of mortgages.
7.	206(2)	To grant exemption from bar on appointment of

		managing agents in case of companies other than listed companies.
8.	206(3)	To accord approval for appointment of a sole purchase, sale or distribution agent of a private company or a non-listed public company.
9.	207	To accord approval for appointment of sole agents etc. in the case of a private or non-listed public company.
10.	209(5)(b)	To approve a scheduled bank or a financial institution in the context of the provisions exempting a private or non-listed public company from holding investments in its own name.
11.	231(1)	To authorize an officer to inspect books of account of a company other than a listed company.
12.	236(2)(b)	To exempt a non-listed public company from the disclosure in the directors' report of the changes concerning the nature of the business of the company during a financial year.
13.	237(8)	To grant exemption from provisions relating to consolidated financial statements.
14.	238(2)	To extend financial year of a holding company with regard to a subsidiary's financial year for companies other than listed companies and to exempt a holding company or its subsidiary to hold AGM within the relevant calendar year under specific circumstances.
15.	251(2)	To allow private and non-listed public companies to with-hold or defer payment of dividend.
16.	254(7)	To appoint an auditor of a private or non-listed company in place of an unqualified/ disqualified person appointed by a company.
17.	263 & 265	To appoint inspectors to investigate into the affairs of private or non-listed public companies.
18.	271	To apply to the Court for issue of an appropriate order against management of a private or non-listed public company, on the basis of findings of inspector.
19.	275	To cause making of an application to the Court for winding up a private or non-listed public company and/or for an order under section 290.
20.	289(5)	To hear appeals against the order of registrar refusing to register any circular regarding offer of a scheme of merger/amalgamation etc. involving the transfer of shares.
21.	309	To perform all functions and exercise all powers

		of the Commission under section 309, in the case of winding up of a private or non-listed public company.
22.	319	To apply to Court to stay winding up of a private or non-listed public company.
23.	439(9)	To order restoration of the name of a defunct company.
24.	467	To accord special permission to take over or remove any original document from custody of registrar.
25.	472(1)	To make an order directing a private or non-listed company and its officers to make good the default and undo the irregularities.
26.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, applicable to matters of non-listed companies allocated to Registration Department and/or which fall within the jurisdiction of Executive Director through delegation of powers.
27.	477(1)(b)	To hear appeal/revision against the order of Registrar or of any officer authorized by the Commission.
28.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
29.	479	To issue a directive to the chief executive or other officer of the company to appear before him personally and answer the charges.
30.	481	To direct company prosecutor to present an appeal against the order of acquittal.
31.	482	To order for payment of compensation in cases of frivolous or vexatious prosecutions.
32.	483	To direct that the whole or any part of the fine imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved party.
33.	484(2)	To review the order originally made by him.
34.	488	To grant relief in cases in which the powers have been delegated by the Commission.
35.	493	To make necessary orders and to impose penalty for wrongful withholding of property of a private or non-listed public company.
36.	495(1)	To award punishment for non-compliance of the

		orders passed in pursuance of the power delegated.
37.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

38. To enforce compliance with all the provisions of the Companies Ordinance, 1984 as applicable to companies other than listed companies except NBFCs and insurance companies.

<u>S. No.</u>	<u>Relevant rule of the Companies Share Capital (Variation In Rights &amp; Privileges) Rules, 2000</u>	<u>Nature of power/function</u>
1.	5(1)	Approval of Commission for issue of further share capital carrying different rights (for private and non-listed companies).

<u>S. No.</u>	<u>Single Member Companies Rules, 2003</u>	<u>Nature of power/function</u>
1.	9	To approve the conversion of private company into single member company.

**REGISTRAR, HEADQUARTERS (REGISTRATION DEPARTMENT)**

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	37	To decide as to whether or not certain name of a company is in violation of the provisions of this section.
2.	46	To grant relief from the consequences of default in complying with conditions constituting a company as a private company.
3.	170	To call or direct the calling of an over-due statutory meeting, annual general meeting or an extra-ordinary general meeting of non-listed and private companies registered with CROs other than CROs Karachi and Lahore.
4.	195(1)	To accord approval for the grant of a loan to

		director of a private company or a non-listed public company, for specific purposes.
5.	252(6) & (8)	To appoint auditors and to fix their remuneration in case they are not appointed by a private or non-listed company and its directors within the prescribed period.
6.	258	To conduct the cost audit and appointment of cost auditor of a private or non-listed public company.
7.	264	To require the applicants requesting for investigation of non-listed companies to deposit security for payment of the costs of investigation.
8.	276	To initiate proceedings for recovery of damages or property.
9.	277	To exercise all powers of the Commission regarding expenses of investigation and to get reimbursement.
10.	279	To impose restrictions on transfer of shares and debentures in certain cases and to initiate prosecution proceedings in the matter of private and non-listed public companies.
11.	326(5)	To take cognizance of any lapse, delay or other irregularity on the part of official liquidator.
12.	432(6)	To accord approval for payment of money kept under the Companies Liquidation Account.
13.	434	To make appointment of auditors and fix their remuneration, if no such appointment is made by the members or creditors.
14.	474	To make complaint to the competent forum against alleged offence of a private or non-listed public company.
15.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Registrar through delegation of powers.
16.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
17.	484(2)	To review the order originally made by him.
18.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<u>S. No.</u>	<u>Relevant rule of the Companies (Audit Of Costs Account) Rules, 1998</u>	<u>Nature of power/function</u>
1	3(2)	Approval for appointment of cost auditor

**ADDITIONAL REGISTRAR OF COMPANIES, KARACHI/LAHORE**

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	170	To call or direct the calling of an over-due statutory meeting, annual general meeting or an extra-ordinary general meeting of non-listed and private companies respectively registered with CROs Karachi and Lahore.

**REGISTRARS CONCERNED OF THE COMPANY REGISTRATION OFFICES**

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	21(2)	To confirm alteration in the Memorandum of Association.
2.	21(3)	To dispense with the notice to persons likely to be affected by the alteration in the Memorandum.
3.	22	To make order confirming alteration in the Memorandum subject to terms and conditions.
4.	23	To adjourn the proceedings for an arrangement for purchase of interests of dissident members and to give other directions in the matter.
5.	24(3)	To extend time for filing of documents with the Registrar under this section.
6.	25	To revive order confirming alteration in the Memorandum.

**Note:** The above powers were delegated subject to the condition that any discretion or dispensation under section 21 shall be exercised in consultation with the Registrar (Headquarters).

**2. Executive Director (Enforcement Department)**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Companies Ordinance, 1984</u></b>	<b><u>Nature of power/function</u></b>
1.	84(1)(b)	To allow issue of share capital at discount by listed companies.
2.	86(1)(First proviso)	To allow a listed company to raise its further capital without issue of right shares.
3.	131	To adjudicate and order rectification of register of mortgages.
4.	158(1)	To grant extension in period for holding AGM of listed companies beyond the due date.
5.	158(2)	To allow a listed company to hold a particular meeting at a place other than the town in which the registered office of the company is situate.
6.	170	To call or direct the calling of an over-due statutory meeting, annual general meeting or an extra-ordinary general meeting of a listed company.
7.	186	To take cognizance of contravention of sections 174 to 185.
8.	195(1)	To accord approval for the grant of a loan to director of a listed company, for specific purposes.
9.	206(2)	To grant exemption from bar on appointment of managing agents in case of a listed company.
10.	206(3)	To accord approval for appointment of a sole purchase, sale or distribution agent of a listed company.
11.	207	To accord approval for appointment of sole agents etc. in the case of a listed company.
12.	209(5)(b)	To approve a scheduled bank or a financial institution in the context of the provisions exempting a listed company from holding investments in its own name.
13.	231(1)	To authorize an officer to inspect books of account of a listed company.
14.	233(1)	To grant extension in the period for laying the annual accounts of a listed company in the AGM beyond the due date.
15.	236(2)(b)	To exempt a listed company from the disclosure in the directors' report of the changes concerning the nature of the business of the company during a financial year.

16.	237(8)	To grant exemption from provisions relating to consolidated financial statements.
17.	238(2)	To extend financial year of a holding company with regard to a subsidiary's financial year for listed companies and to exempt a holding company or its subsidiary to hold AGM within the relevant calendar year under specific circumstances.
18.	252(6) & (8)	To appoint auditors and to fix their remunerations in case they are not appointed by a listed company and its directors within the prescribed period.
19.	254(7)	To appoint an auditor of a listed company.
20.	263 & 265	To appoint inspectors to investigate into the affairs of a listed company.
21.	271	To apply to the Court for issue of an appropriate order against management of a listed company, on the basis of findings of Inspector.
22.	275	To cause making of an application to the Court for winding up the listed company and/or for an order under section 290.
23.	279	To impose restrictions on transfer of shares and debentures in certain cases and to initiate prosecution proceedings in the matter of a listed company.
24.	309	To perform all functions and exercise all powers of the Commission under section 309, in the case of winding up of a listed company.
25.	319	To apply to Court to stay winding up of a listed company.
26.	472(1)	To make an order directing a listed company and its officers to make good the default and undo the irregularities.
27.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984 applicable to matters of listed companies allocated to Enforcement Department and/or which fall within the jurisdiction of Executive Director through delegation of powers.
28.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.

29.	479	To issue a directive to the chief executive or other officer of the company to appear before him personally and answer the charge.
30.	481	To direct company prosecutor to present an appeal against the order of acquittal.
31.	482	To order for payment of compensation in cases of frivolous or vexatious prosecutions.
32.	483	To direct that the whole or any part of the fine imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved party.
33.	484(2)	To review the order originally made by him.
34.	488	To grant relief in cases in which the powers have been delegated by the Commission.
35.	493	To make necessary orders and to impose penalty for wrongful withholding of property of the company.
36.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.
37.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

38. To enforce compliance with all the provisions of the Companies Ordinance, 1984 applicable to listed companies except NBFCs and insurance companies.

**DIRECTOR (ENFORCEMENT DEPARTMENT)**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Companies Ordinance, 1984</u></b>	<b><u>Nature of power/function</u></b>
1.	78A	To process adjudication of appeal against refusal for registration of transfer or transmission of shares of a listed company.
2.	251(2)	To allow a listed company to with-hold or defer payment of dividend.
3.	258	To conduct the cost audit and appointment of cost auditor in a listed company.
4.	264	To require the applicants requesting for investigation of listed companies to give security for payment of the costs of investigation.

5.	276	To initiate proceedings for recovery of damages or property.
6.	277	To exercise all powers of the Commission regarding expenses of investigation and to get reimbursement.
7.	474	To make complaint to a competent forum against the alleged offence of a listed company.
8.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984 applicable to listed companies which fall within the jurisdiction of Director (Enforcement) through delegation of powers.
9.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
10.	484(2)	To review the order originally made by him.
11.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<u>S. No.</u>	<u>Relevant rule of the Companies (Audit of Costs Account) Rules, 1998</u>	<u>Nature of power/function</u>
1	3(2)	Approval for appointment of cost auditor.

### 3. Executive Director (Securities Market Division)

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 1984</u>	<u>Nature of power/function</u>
1.	53(2)	To allow a prospectus to be issued more than thirty days before the date on which the subscription list is due to open.
2.	76(6)	To approve a financial institution for appointment as transfer agent.
3.	84(1)(d)	Grant of extension of time for issue of shares at a discount.
4.	224(2)	To order deposit of tenderable gain.
5.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984 applicable to matters of companies allocated to

		Securities Market Division, and/or which fall within the jurisdiction of Executive Director through delegation of powers.
6.	478	To exercise the powers of a court under Code of Civil Procedure in matters specified in this section.
7.	481	To direct company prosecutor to present an appeal against the order of acquittal.
8.	482	To order for payment of compensation in cases of frivolous or vexatious prosecutions.
9.	483	To direct that the whole or any part of the fine imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved party.
10.	484(2)	To review the order originally made by him.
11.	488	To grant relief in cases in which the powers have been delegated by the Commission.
12.	493	To make necessary orders and to impose penalty for wrongful withholding of property of the company.
13.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.
14.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<u>S. No.</u>	<u>Relevant section of the SECP Act, 1997</u>	<u>Nature of power/function</u>
1.	20(4)	Powers and functions of the Commission relating to regulation of securities market, stock exchanges, central depository company and allied matters, except those which have either been retained by the Commission with itself or have been delegated specifically to the Commissioner.
2.	20(6)	(b) To maintain the confidence of investors in the securities markets by ensuring adequate protection for such investors. (d) to administer laws effectively but with a minimum of procedural requirements. (g) to take whatever action it can, as may be necessary, in order to enforce and give effect to the Act, the Securities and Exchange Ordinance, 1969 and the rules and regulations made thereunder.

3.	29	To <i>suo motu</i> conduct investigations and appoint investigating officers.
4.	32	To call for information from any person.

<u>S. No.</u>	<u>Relevant section of the Securities and Exchange Ordinance, 1969</u>	<u>Nature of power/function</u>
1.	6(1)	To authorize a person to inspect the books of accounts maintained by directors, officers and members of a stock exchange.
2.	6(3)	To require any information about the affairs of a Stock Exchange or relating to directors, officers and members about their business on the Stock Exchange.
3.	7	(i) To take cognizance of the contraventions of any of the provisions of the Ordinance, rules, regulations and directions made thereunder and, in case of default, may suspend the transaction of any business on the Stock Exchange for a period specified in the Ordinance and also to suspend or remove an officer or member from his office, or membership of the Stock Exchange, under clauses (a) & (d) of sub-section (1) of section 7 of the Ordinance.  (ii) To process and recommend to the Commission for taking action against a Stock Exchange or any of its directors or its governing body in terms of clauses (b) & (c) of sub-section (1) of the said section 7.
4.	9	To allow listing or delisting of securities and to order for suspension of trading of any security, in consultation with Commissioner.
5.	10	To direct the compulsory listing of a security in consultation with Commissioner.
6.	15(B)	To process and take penal action against the persons involved in insider trading.
7.	18A	Confiscation of application money.
8.	19	To permit a person to communicate or disclose to any other person, the information possessed by the former person.
9.	20	To pass any order under this section
10.	21	To initiate or order for conducting inquiries.

11.	22	To take cognizance and impose penalties in accordance with this section.
12.	23	To proceed against a person for civil liabilities.
13.	24	Power to prosecute in case of fraud under section 17.
14.	25	To take cognizance of the offences and to report the matter to the Court.
15.	32A	To regulate a central depository company.

<u>S. No.</u>	<u>Relevant rule of the Companies (Asset Backed Securitization) Rules, 1999</u>	<u>Nature of power/function</u>
1.	9(1)	Approval of advertisement and invitation.
2.	9(2)	Withdrawal and variance of approval.

<u>S. No.</u>	<u>Relevant rule of the Brokers and Agents Registration Rules 2001</u>	<u>Nature of power/function</u>
1.	5(1)	Registration
2.	5(6)	Power to review decision
3.	8	To impose fine on a broker and/or suspend registration of brokers and agents.
4.	9	Cancellation of registration of a broker.

<u>S. No.</u>	<u>Relevant rule of the Stock Exchange Members (Inspection of Books and Records) Rules, 2001</u>	<u>Nature of power/function</u>
1.	3	Power to order inspection
2.	4(2)	Power to appoint inspector
3.	7(2)	Providing opportunity of hearing before taking any action in light of the findings of the inspection.
4.	8	Power to give direction

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Securities And Exchange Rules, 1971</u></b>	<b><u>Nature of power/function</u></b>
1.	5(2)	Power to appoint Auditor
2.	5(3)	Time within which audit to be conducted to be specified by the Commission

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Balloters, Transfer Agents and Underwriters Rules, 2001</u></b>	<b><u>Nature of power/function</u></b>
1.	6 (2)	Appointment of inspector
2.	6(3)	Directions by Commission

<b><u>S. No.</u></b>	<b><u>Relevant section of Listed Companies (Substantial Acquisition of Voting Shares and Take-overs) Ordinance, 2002</u></b>	<b><u>Nature of power/function</u></b>
1.	13(10) Proviso	To grant extension of time to the acquirer for completion of all procedures relating to public offer.
2.	14(17)	To declare election of directors of the target company as null and void, in case of certain irregularities.
3.	14(18)	To impose penalty on the outgoing directors, in case of fresh elections under sub-section (17).
4.	16(4)(b)	To accord prior approval for withdrawal of public offer.
5.	21	To appoint one or more persons as enquiry officer or officers for any of the purposes under clauses (a) to (c).
6.	22	To issue notice before ordering an enquiry under section 21.
7.	24(3)	To give directions for taking appropriate measures, on receipt of reply on the findings of enquiry officer.
8.	25	To give directions in the interest of securities markets including those referred to, in clauses (a) to (d).
9.	26	To impose penalties for non-compliance.

<u>S. No.</u>	<u>Relevant section of CDC Act, 1997</u>	<u>Nature of power/function</u>
1.	27	To carry out investigations into the affairs of participants and to appoint inspector(s) therefor.
2.	33	To exercise power of court as per section 33, in matter for which power of Commission has been delegated to him.

<u>S. No.</u>	<u>Relevant rule of the Central Depository Companies (Establishment And Regulation) Rules, 1996</u>	<u>Nature of power/function</u>
1.	5	Power to renew
2.	7	Power to give direction to CDC

<u>S. No.</u>	<u>Relevant guideline of the Listed Companies (Prohibition of Insider Trading) Guidelines</u>	<u>Nature of power/function</u>
1.	13	Directions by the Commission

The Executive Director (Securities Market) is also hereby empowered to re-delegate, subject to restrictions and limitation, the powers under sections 20(6), 29 and 32 of the Securities and Exchange Commission of Pakistan Act, 1997, sections 6(1), 6(3), 7, 18A, 20 to 25 of Securities and Exchange Ordinance, 1969 and rules 8 & 9 of the Brokers and Agents Registration Rules, 2001 (as specified above) to any of the officers of Securities Market Division.

#### **DIRECTOR (SECURITIES MARKET)**

<u>S. No.</u>	<u>Relevant rule of the Brokers and Agents Registration Rules 2001</u>	<u>Nature of power/function</u>
1.	7	Renewal of registration
2.	14(1)	Grant certificate
3.	14(3)	To provide hearing opportunity in case of refusal for registration.
4.	14(5)	Power to review decision

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Stock Exchange Members (Inspection of Books and Records) Rules, 2001</u></b>	<b><u>Nature of power/function</u></b>
1.	4(1)	Power to issue notice for undertaking inspection.
2.	7(1)	Communication of findings of inspection.

<b><u>S. No.</u></b>	<b><u>Relevant guideline of the Listed Companies (Prohibition of Insider Trading) Guidelines</u></b>	<b><u>Nature of power/function</u></b>
1.	7	Power to investigate.
2.	8(3)	Commission to empower enquiry officer.
3.	11(2)	Specific performance.
4.	12	Appointment of auditor.

#### **4. Executive Director (NBFCs Department)**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Modaraba Companies and Modaraba Ordinance, 1980</u></b>	<b><u>Nature of power/function</u></b>
1.	19(4) & (5)	To hear appeal against the order of Registrar (Modaraba) regarding the cancellation of registration of a modaraba company.
2.	20(2)	To accord approval to the Registrar for making an order, in consultation with the Commissioner, so as to – <ul style="list-style-type: none"> <li>(i) appoint an administrator to take over and manage the modaraba in place of the modaraba company for such period as the Registrar may specify;</li> <li>(ii) require the modaraba company to carry out such changes in the management and</li> </ul>

		procedure as may be specified; and  (iii) remove the modaraba company and appoint another modaraba company in its place to manage the modaraba.
3.	22(2)	To hear appeal against the decision of Registrar to wind up a modaraba.
4.	32(2)	To hear an appeal against the penalty order of the Registrar.

**The powers and functions of the Commission under the Companies Ordinance, 1984, as applicable to companies regulated by Specialized Companies Division, as specified below:-**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Companies Ordinance, 1984</u></b>	<b><u>Nature of power/function</u></b>
1.	84	To sanction issue of shares of NBFCs at discount and to extend the time beyond sixty days after the date on which the sanction is issued.
2.	86	To allow an NBFC to raise its further capital without issue of right shares.
3.	131	To adjudicate and order rectification of register of mortgages.
4.	158(1)	To grant extension in period for holding AGM beyond the due date.
5.	158(2)	To allow a listed company to hold a particular meeting at a place other than the town in which the registered office of the company is situate.
6.	170	To call or direct the calling of an over-due statutory meeting, annual general meeting or an extra-ordinary general meeting of an NBFC.
7.	186	To take cognizance of contravention of sections 174 to 185.
8.	195(1)	To accord approval for the grant of a loan to director of a company, for specific purposes.
9.	206(2)	To grant exemption from bar on appointment of managing agents of companies.
10.	206(3)	To accord approval for appointment of a sole purchase, sale or distribution agent of a company.
11.	207	To accord approval for appointment of sole agents etc.
12.	209(5)(b)	To approve a scheduled bank or a financial institution in the context of the provisions exempting a company from holding investments in its own name.

13.	231(1)	To authorize an officer to inspect books of account of a company.
14.	233(1)	To grant extension in the period for laying the annual accounts of an NBFC in the AGM beyond the due date.
15.	236(2)(b)	To exempt an NBFC from the disclosure in the directors' report of the changes concerning the nature of the business of the company during a financial year.
16.	237(8)	To grant exemption from provisions relating to consolidated financial statements.
17.	238(2)	To extend financial year of a holding company with regard to a subsidiary's financial year for companies and to exempt a holding company or its subsidiary to hold AGM within the relevant calendar year under specific circumstances.
18.	252(6)(8)	To appoint auditors and to fix their remuneration in case they are not appointed by a company and its directors within the prescribed period.
19.	254(7)	To appoint an auditor of a company.
20.	263 & 265	To appoint inspectors to investigate into the affairs of companies.
21.	271	To apply to the Court for issue of an appropriate order against management of company, on the basis of findings of Inspector.
22.	275	To cause making of an application to the Court for winding up the company and/or for an order under section 290.
23.	279	To impose restrictions on transfer of shares and debentures in certain cases and to initiate prosecution proceedings in the matter of a company.
24.	282D(1)	To issue directions to NBFCs.
25.	282D(2)	To modify or cancel the directions issued and impose conditions.
26.	282H(1)	To monitor financial position of an NBFC and to order special audit.
27.	282I	To cause inquiry or inspection and to exercise other related powers.
28.	282J(1)	Impose fine on the NBFC and its officers (including auditors).
29.	282J(2)	Cancellation of license.
30.	282J(3)	To move the Court for winding up of an NBFC.

31.	282J(5)	To disqualify an officer (including auditors) of a NBFC if the officer fails to make payment, within the prescribed period, from holding any office in any company or NBFC for such period as may be specified.
32.	282K	To issue show cause notice to any person, being the chairman, director, chief executive, by whatever name called or official liquidator or any officer of a NBFC for making false statement and refer the matter to the Court.
33.	282M(1)	To adjudicate and impose fine.
34.	309	To perform all functions and exercise all powers of the Commission under section 309, in the case of winding up of a company.
35.	319	To apply to Court to stay winding up of a company.
36.	472(1)	To make an order directing a listed company and its officers to make good the default and undo the irregularities.
37.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984 applicable to matters of companies allocated to NBFCs Department and/or, which fall within the jurisdiction of Executive Director through delegation of powers.
38.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
39.	479	To issue a directive to the chief executive or other officer of the company to appear before him personally and answer the charges.
40.	481	To direct company prosecutor to present an appeal against the order of acquittal.
41.	482	To order for payment of compensation in cases of frivolous or vexatious prosecutions.
42.	483	To direct that the whole or any part of the fine imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved party.
43.	484(2)	To review the order originally made by him.
44.	488	To grant relief in cases in which the powers have been delegated by the Commission.

45.	493	To make necessary orders and to impose penalty for wrongful withholding of property of the company.
46.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.
47.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

48. Also to enforce compliance with all the provisions of the Companies Ordinance, 1984 applicable to NBFCs.

<u>S. No.</u>	<u>Relevant rules of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003</u>	<u>Nature of power/function</u>
1.	4(3)	Extension in validity of permission under rule 4(2).
2.	5(2)(d)	Approval for disposal of shares by the promoters and directors of a company before three years.
3.	5(2)(e)	Permission regarding appointment of chief executive by a company holding such office in any other company.
4.	5(5)	Renewal of the licence of NBFC.
5.	7(2)(e)	Approval for appointment of such persons prohibited in clause (e).
6.	7(2)(f)	Permission for removal of company's records or documents from Pakistan to a place outside Pakistan.
7.	7(2)(g)	Approval for change in company's chief executive and board of directors.
8.	7(2)(h)	Approval for making investment in un-quoted shares of any company.
9.	7(3)	Extension in date beyond 31 <sup>st</sup> December, 2003 for raising equity by existing NBFCs.
10.	9 (Proviso)	To specify the nature and extent of insurance coverage for the NBFC.
11.	12(2)Proviso	Cancellation of permission.

12.	12(3)(c)	Approval for publication of advertisement inviting general public for making investment in certificates of investment or deposit.
13.	16	Specifying otherwise the maximum exposure to a single issuer or associated issuer of risk assets.
14.	22	Grant of a general or specific waiver from exposure mentioned in clause (a) and disclosure in clause (b) to NBFC licensed by the Commission to undertake venture capital.
15.	27	Grant of a general or specific waiver from conditions laid down in clauses (a) to (d) for a venture capital fund.
16.	28(2)	Renewal of licence of a venture capital fund.
17.	31	Enquiry into the affairs of a venture capital fund.
18.	32(1)	Cancellation of licence of venture capital fund.
19.	32(2)	To move Court for a winding up order in respect of a venture capital fund or to take any other action.
20.	35(1)(a)	Cancellation or suspension of licence of NBFC to operate as investment adviser.
21.	35(1)(c)	Issue cease and desist orders to NBFC.
22.	35(1)(d)	Ban defaulters to be employed within the security market temporarily or permanently.
23.	35(1)(e)	Imposition of fine.
24.	35(1)(f)	Take any combination of the actions in clauses (c) to (e) of sub-rule (1) of rule 35.
25.	38(3)(ii)	Grant of certificate of registration to an investment company.
26.	38(4)	Extension in period for commencement of business.
27.	41(1)	Authorization of closed-end scheme to be offered to the public or continued.
28.	42(2)	Discontinuation of the authorization of the closed-end scheme by giving a three months' notice to the certificate holders about the Commission's intention not to maintain such authorization.
29.	42(3)	Specification of manner and time for winding up of a closed-end scheme and refund of proceeds to the certificate holders.
30.	43	Approval of appointment of a trustee for closed-end scheme.

31.	44(e)	Approval to NBFC undertaking investment finance services to act as trustee.
32.	46	Approval of retirement of a trustee from his office on appointment of a new trustee.
33.	48(1)	Approval of advertisements and other invitations to the public in Pakistan to invest in a closed-end fund.
34.	48(4)	Withdrawal of and variation in the approved advertisements.
35.	48(5)	Extension in the validity period of sixty days for advertisement or invitation.
36.	50(1)(b)	Approval of an underwriter appointed by a closed-end fund for underwriting of an offer.
37.	51(m)	Approval to the scheme of delisting.
38.	52(1)	Approval regarding closed-end fund's transactions.
39.	60(1)	To order special audit or investigation by an inspector to be appointed under the provisions of the Ordinance.
40.	60(2)	On receipt of the report or the reports from the auditor of inspector:-  (i) Issuance of direction to the fund to do or to abstain from doing certain acts;  (ii) issuance of order for immediate compliance; and  (iii) initiation of further proceedings on the basis of the report.
41.	61(3)	Grant of approval for conversion of closed-end fund into open-end scheme.
42.	62	Giving directions requiring compliance by an investment company, investment adviser, custodian, trustee, individually or collectively.
43.	63	Imposition of fine.
44.	67(1)	Authorization of unit trust scheme to be offered to the public.
45.	68(1)	To order special audit and appoint an auditor and pass interim orders and give directions.

46.	68(2)	On receipt of special audit report:- (i) issuance of direction to the asset management company to do or to abstain from doing certain acts; and (ii) issuance of directives for immediate compliance.
47.	69(2)	Discontinuation of the authorization of the scheme by giving a three months' notice to the unit holders about the Commission's intention not to maintain such authorization.
48.	69(3)	Specification of manner and time for winding up of scheme and refund of the proceeds to the unit holders in case of de-authorization.
49.	70(1)	Approval of advertisements and other invitations to the public to invest in a scheme, including public announcements.
50.	70(4)	Withdrawal of and variation in the approved advertisement.
51.	73(1)	Approval of the Commission for disclosure of risk management parameters.
52.	74	Approval for appointment of trustee for investment schemes.
53.	75(e)	Approval to NBFC undertaking investment finance services to act as trustee.
54.	77	Approval for retirement of a trustee from his office on appointment of a new trustee.
55.	82(1)(a)	Cancellation or suspension of licence of NBFC to operate as asset management company.
56.	82(1)(c)	Issue cease and desist orders to the company.
57.	82(1)(d)	To order for compensation to be paid to the unit holders.
58.	82(1)(e)	Ban defaulters to be employed within the security market temporarily or permanently.
59.	82(1)(f)	Imposition of fine.
60.	82(1)(g)	Take any combination of actions mentioned in clauses (c) to (f) of sub-rule (1) of rule 82.
61.	83	Giving directions to trustees.

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Companies Share Capital (Variation in Rights &amp; Privileges) Rules, 2000</u></b>	<b><u>Nature of power/function</u></b>
1.	5(1)	Approval of Commission for issue of further share capital carrying different rights (for specialized companies).

**DIRECTOR (NBFCs DEPARTMENT)**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Companies Ordinance, 1984</u></b>	<b><u>Nature of power/function</u></b>
1.	46	To grant relief from the consequences of default in complying with conditions constituting a company as a private company.
2.	78A	To adjudicate appeal against refusal for registration of transfer or transmission of shares of a company.
3.	251(2)	To allow a listed company to with-hold or defer payment of dividend.
4.	264	To require the applicants requesting for investigation of companies to give security for payment of the costs of investigation.
5.	276	To initiate proceedings for recovery of damages or property.
6.	277	To exercise all powers of the Commission regarding expenses of investigation and to get reimbursement.
7.	282G	To require to furnish any information, etc.
8.	326(5)	To take cognizance of any lapse, delay or other irregularity on the part of official liquidator.
9.	432(6)	To accord approval for payment of money kept under the Companies Liquidation Account.
10.	434	To make appointment of auditors and fix their remuneration, if no such appointment is made by the members or creditors.
11.	474	To make complaint to a competent forum against the alleged offence of a company.
12.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Director (NBFCs Department) through delegation of powers.

13.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
14.	484(2)	To review the order originally made by him.
15.	488	To grant relief in cases in which the powers have been delegated by the Commission.
16.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<u>S. No.</u>	<u>Relevant rules of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003</u>	<u>Nature of power/function</u>
1.	7(2)(b)	Approval for purchase anything from or sell anything to any director, officer etc.
2.	8(1)	To authorize NBFC to open one branch to begin with.
3.	8(2)	Permission for opening of more branches or closure of any branch.
4.	39(2)	Approval of renewal or modification of contract, authorized by the shareholders of investment company.
5.	39(5)	Approval of investment adviser contract.
6.	40(1)	Approval of custodian appointed by investment company.
7.	51(k)(Proviso)	Permission to exceed ten per cent transactions.
8.	58(5)	Calling information regarding the sale price and the capital gain or loss in respect of securities purchased and sold.
9.	58(6)	Calling information about the net asset value of securities issued and the net assets computed in the manner prescribed in clause (xxxiv) of sub-rule (1) of rule 2.
10.	64(h)(Proviso)	Permission to exceed ten per cent transactions.
11.	67(2)(f)(Proviso)	(i) Reduction in requirement to invest or arrange the investment of two hundred and fifty million rupees for a minimum period of two years to one hundred million rupees. (ii) Specification of a benchmark to measure performance of the scheme.

**5. Executive Director (Insurance Department)**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Companies Ordinance, 1984</u></b>	<b><u>Nature of power/function</u></b>
1.	84	To sanction issue of shares of an insurance company at discount and to extend the time beyond sixty days after the date on which the sanction is issued.
2.	86	To allow an insurance company to raise its further capital without issue of right shares.
3.	131	To adjudicate and order rectification of register of mortgages.
4.	158(1)	To grant extension in period for holding AGM beyond the due date.
5.	158(2)	To allow a listed insurance company to hold a particular meeting at a place other than the town in which the registered office of the company is situate.
6.	170	To call or direct the calling of an over-due statutory meeting, annual general meeting or an extra-ordinary general meeting of an insurance company.
7.	186	To take cognizance of contravention of sections 174 to 185.
8.	195(1)	To accord approval for the grant of a loan to director of an insurance company, for specific purposes.
9.	206(2)	To grant exemption from bar on appointment of managing agents of insurance companies.
10.	206(3)	To accord approval for appointment of a sole purchase, sale or distribution agent of an insurance company.
11.	207	To accord approval for appointment of sole agents etc.
12.	209(5)(b)	To approve a scheduled bank or a financial institution in the context of the provisions exempting an insurance company from holding investments in its own name.
13.	231(1)	To authorize an officer to inspect books of account of an insurance company.
14.	233(1)	To grant extension in the period for laying the annual accounts of an insurance company in the AGM beyond the due date.

15.	236(2)(b)	To exempt an insurance company from the disclosure in the directors' report of the changes concerning the nature of the business of the insurance company during a financial year.
16.	237(8)	To grant exemption from provisions relating to consolidated financial statements.
17.	238(2)	To extend financial year of a holding insurance company with regard to a subsidiary's financial year for companies and to exempt the holding company or its subsidiary to hold AGM within the relevant calendar year under specific circumstances.
18.	252(6)(8)	To appoint auditors and to fix their remuneration in case they are not appointed by an insurance company and its directors within the prescribed period.
19.	254(7)	To appoint an auditor of an insurance company.
20.	263 & 265	To appoint inspectors to investigate into the affairs of insurance companies.
21.	271	To apply to the Court for issue of an appropriate order against management of an insurance company, on the basis of findings of Inspector.
22.	275	To cause making of an application to the Court for winding up the insurance company and/or for an order under section 290.
23.	279	To impose restrictions on transfer of shares and debentures in certain cases and to initiate prosecution proceedings in the matter of an insurance company.
24.	309	To perform all functions and exercise all powers of the Commission under section 309, in the case of winding up of an insurance company.
25.	319	To apply to Court to stay winding up of an insurance company.
26.	472(1)	To make an order directing a listed insurance company and its officers to make good the default and undo the irregularities.
27.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984 applicable to matters of companies allocated to NBFCs Department and/or, which fall within the jurisdiction of Executive Director through delegation of powers.

28.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
29.	479	To issue a directive to the chief executive or other officer of the insurance company to appear before him personally and answer the charges.
30.	481	To direct company prosecutor to present an appeal against the order of acquittal.
31.	482	To order for payment of compensation in cases of frivolous or vexatious prosecutions.
32.	483	To direct that the whole or any part of the fine imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved party.
33.	484(2)	To review the order originally made by him.
34.	488	To grant relief in cases in which the powers have been delegated by the Commission.
35.	493	To make necessary orders and to impose penalty for wrongful withholding of property of the insurance company.
36.	495(1)	To award punishment for non-compliance of the orders passed in pursuance of the power delegated.
37.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<u>S. No.</u>	<u>Relevant section of the Insurance Ordinance, 2000</u>	<u>Nature of power/function</u>
1.	6(1)	To issue/sign certificate of registration to carry on insurance business.
2.	10(1)	To cause notification of grant or revocation of registration in the official gazette.
3.	11(1)	To evaluate the conditions imposed on registered insurer.
4.	13(2)	To direct the life insurer in writing to make changes in the particulars and materials filed sub-section (6) or (8) of section 6 or any amendment to the documents filed under sub-section (9) of section 6.
5.	14(8)	To approve division or amalgamation of statutory funds.
6.	14(9)	To order transfer or amalgamate a life statutory fund.

7.	26(2)	To disapprove the appointment of appointed actuary and require the appointment of another actuary.
8.	27(4)	To approve/disapprove the dismissal of appointed actuary.
9.	31	To approve refund of deposit.
10.	41(5) Rule 7 of F. G. Insurance Rules	To allow reinsuring facultatively outside Pakistan any insurance business or any part thereof underwritten by it in Pakistan.
11.	45(5)(c)	To approve, manner other than those mentioned in clauses (a) and (b) of sub-section (5) of section 45.
12.	45(5)(Proviso)	To approve that the matters recorded or stored are capable of being reproduced in a written form.
13.	49(1)	To approve the auditor for special audit.
14.	49(5)	To specify the fee for special auditor.
15.	51(1) Proviso	To extend time, on application by an insurer, allowed by sub-section (1) of section 51 for furnishing of returns.
16.	51(2)(Proviso)	To extend the time allowed for furnishing returns on application by an insurer by a further period not exceeding fifteen days.
17.	57(1)	To order an actuarial investigation into the financial condition of the life insurer.
18.	57(2) Proviso	To specify date for furnishing the report of the investigation.
19.	57(3) Proviso	To specify date and manner for furnishing the investigation report.
20.	59(3)	To order the insurer to take such action in respect of any matter arising out of the investigation.
21.	60(1)	To give directions to the insurer.
22.	61(4)	To authorize an officer of the Commission to observe the manners in which affairs of the insurer or of any of its offices or branches are being conducted.
23.	62(1)	To direct an insurer to prepare, present to its directors and to the Commission, a plan or action to rectify or to prevent an actual or apprehended contravention by the insurer of the conditions of registration set out in section 11.
24.	62(2)	To call for such information and opinions or certificates with the plan of action under sub-section (1) of section 62.

25.	63(1)	To give direction to the insurer to cease entering into new contracts of insurance.
26	63(2)	To issue a direction to cease entering into new contracts of insurance.
27.	63(5)	To revoke the direction given under sub-section (1) of section 63.
28.	64(1)	To order calling of meetings of directors, to allow any officer of the Commission to attend and speak at any meeting of Board of Directors.
29.	84	To allow the officers of the Commission to visit the offices and branches of insurers and inspect books, record and papers.
30.	89(4)	To direct insurer to make changes in the variation proposed by the insurer in the basis of calculation of the surrender value, referred in sub-section (3) of section 89.
31.	112(1)	To issue license to insurance surveyor.
32.	112(2)	To renew the license for a term of not more than twelve months on application made by the holder of license.
33.	112(6)	To cancel the license of insurance surveyor.
34.	112(7)	To impose fine.
35.	113(6)	To cancel registration of surveying officer.
36.	113(7)	To impose fine.
37.	114	To specify the classes of surveyors and surveying officers.
38.	119	To prescribe the fee for supplying copies by the insurer to the policyholder.
39.	147(1)	To apply to Court for appointment of an actuary to investigate the life insurance business of the insurer.
40.	149(2)	To serve written notice on the liquidator and the special manager of the proposed application under sub-section (1).
41.	151(2)	To grant further period to a liquidator or a special manager to provide information for winding up of an insurer.
42.	158	To impose penalty on insurer for false statement in document.
43.	159	To make a complaint to the Court regarding offence of wrongfully obtaining or withholding property of the insurer.

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Securities and Exchange Commission (Insurance) Rules, 2002</u></b>	<b><u>Nature of power/function</u></b>
1.	18	To determine the fee payable to the auditor appointed under Section 49 of the Insurance Ordinance, 2000 to conduct special audit of an insurance company.

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Insurance Rules, 2002 (Federal Government)</u></b>	<b><u>Nature of power/function</u></b>
1.	16(2)	To issue license under section 112 of the Ordinance that will specify the class of insurance surveyors for which certificate is granted.

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Voluntary Pension System Rules, 2005</u></b>	<b><u>Nature of power/function</u></b>
1.	5(4)	To extend the date for commencement of operations by the Pension Fund Manager.
2.	7(1)(i)	To prescribe the information that would be submitted by the Pension Fund Managers to the Commission within one month of the close of any accounting period.
3.	7(1)(k)	To specify such other information which the Pension Fund Manager would be required to send within 30 days to the participants on period ended 30 <sup>th</sup> June and 31 <sup>st</sup> December of each year.
4.	8(h)(Proviso)	To permit the Pension Fund Manager to enter into transactions with any connected broker exceeding the limit of ten per cent.
5.	14(2)	To approve procedure of purchasing of units of different sub-funds at the time of receipt of contributions from the participants.
6.	16(1)(g)	To specify the information which the Pension Fund Manager would be required to maintain in the register of participants.
7.	18(1)(c)	To approve the "Income Payment Plan" which may be offered by Pension Fund Manager to the participants at or after the age of retirement.

8.	22(1)	To approve advertisements and other invitations to the public by the Pension Fund Managers to invest in a Pension Fund.
9.	22(2)	To withdraw the approval granted for advertisements or other invitations.
10.	35	To give directions to the trustees.
11.	37(1)	To monitor general financial condition of the pension fund.
12.	37(1)	To order special audit of the Pension Fund Manager and Pension Fund.
13.	37(1)	To appoint special auditor
14.	37(1)	To pass interim orders and give directions during the course of the special audit/scrutiny.
15.	38(1)	To appoint a person to cause an inquiry or inspection to be made into the affairs of a pension fund authorised under these rules or of any of the directors, managers or officers of the Pension Fund Manager.
16.	40(3)	To take corrective measures including fine and cancellation of registration as Pension Fund Manager, in case weighted average investment return is below the benchmark as specified in sub-rule (2) of rule 40.
17.	44	To give directions for compliance.

**DIRECTOR (INSURANCE DEPARTMENT)**

<b><u>S. No.</u></b>	<b><u>Relevant section of the Companies Ordinance, 1984</u></b>	<b><u>Nature of power/function</u></b>
1.	46	To grant relief from the consequences of default in complying with conditions constituting an insurance company as a private company.
2.	78A	To adjudicate appeal against refusal for registration of transfer or transmission of shares of an insurance company.
3.	251(2)	To allow a listed insurance company to with-hold or defer payment of dividend.
4.	264	To require the applicants requesting for investigation of insurance companies to give security for payment of the costs of investigation.
5.	276	To initiate proceedings for recovery of damages or property.
6.	277	To exercise all powers of the Commission regarding expenses of investigation and to get reimbursement.
7.	282G	To require to furnish any information, etc.
8.	326(5)	To take cognizance of any lapse, delay or other irregularity on the part of official liquidator.

9.	432(6)	To accord approval for payment of money kept under the Companies Liquidation Account.
10.	434	To make appointment of auditors and fix their remuneration, if no such appointment is made by the members or creditors.
11.	474	To make complaint to a competent forum against the alleged offence of an insurance company.
12.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Director (Insurance Department) through delegation of powers.
13.	478	To exercise the powers of a court under the Code of Civil Procedure in matters specified in this section.
14.	484(2)	To review the order originally made by him.
15.	488	To grant relief in cases in which the powers have been delegated by the Commission.
16.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<b><u>S. No.</u></b>	<b><u>Relevant section of the Insurance Ordinance, 2000</u></b>	<b><u>Nature of power/function</u></b>
1.	10(3)	To issue duplicate certificate of registration.
2.	13(2)	To direct the life insurer in writing to make changes in the particulars and materials filed under sub-section (6) or (8) of section 6 or any amendment to the documents filed under sub-section (9) of section 6.
3.	22(9)	To order the life insurer to make surplus adjustment if in case its expenses exceed the limits prescribed by the Commission.
4.	23(9)	To order the life insurer to make expense adjustment if in case its expenses exceed the limits prescribed by the Commission for investment linked contracts.
5.	29(2)(b)	To abolish the requirement for deposits specified by section 29, by reducing the required minimum amount to zero.
6.	36(4)	To direct an insurer not to deal with any specified asset for any specified period.
7.	41(4)	To direct the insurer to make modification in his reinsurance arrangement.
8.	42(4)	To impose fine on those who contravenes the provisions of section 42.

9.	43(3)	To punish with fine to those who contravene provisions under sub-section (1) or sub-section (2) of section 43.
10.	43(6)	To punish with fine to the person who willfully obstructs the companies or any person authorized by it in the exercise of its or his power or performance of functions.
11.	50(7)	To order an actuarial investigation in respect of such class or sub-class of non-life insurance business.
12.	56	To take action as per provisions (a) to (d) of section 56 for inaccurate or defective submission of returns.
13.	59(1)	To order investigation of the affairs of an insurer and wherever necessary, employ an auditor or actuary or both for assisting it in such investigation.
14.	61(1)	To direct an insurer to supply the Commission with any information relating to its insurance business.
15.	61(2)	To direct that the information supplied may be certified by the principal officer of the insurer.
16.	61(3)	To direct the chief executive or principal officer of an insurer to discuss with the Commission any matter pertaining to the business or management of the insurer.
17.	67(3)	To require the applicant to submit further documents to make an informed decision about the transaction in the interest of policy holders and the shareholders.
18.	85(1)	To appoint another surveyor to conduct an independent survey.
19.	110	To allow inspection of the premises of an insurance broker or of an agent of an insurance company.
20.	113(1)	To register a person as surveying officer.
21.	113(4)	To prescribe the form and contents of reporting by the insurance surveying officer.
22.	151(1)	To request a liquidator or a special manager to provide such information as the Commission may deem necessary.

<u>S. No.</u>	<u>Relevant rule of the Securities and Exchange Commission (Insurance) Rules, 2002</u>	<u>Nature of power/function</u>
1.	27(2)	To approve a date other than the 31 <sup>st</sup> December for reporting by the insurance brokers.

2.	30	To require any person carrying on such activities in Pakistan to withdraw any written, electronic or other material issued by it for mass communication or communication with a policyholder or prospective policyholder.
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<b><u>S. No.</u></b>	<b><u>Relevant rule of the Insurance Rules, 2002 (Federal Government)</u></b>	<b><u>Nature of power/function</u></b>
1.	7	To allow an insurer to reinsure facultatively outside Pakistan any insurance business or any part thereof underwritten by it in Pakistan, for the purposes of subsection (5) of section 41 of the Ordinance

<b><u>S. No.</u></b>	<b><u>Relevant rule of the Voluntary Pension System Rules, 2005</u></b>	<b><u>Nature of power/function</u></b>
1.	2(1)(j)	To specify minimum limit of the contributions.
2.	2(1)(m)	To specify the procedure for calculating the net asset value of the pension fund.
3.	7(1)(f)	To approve posting of the quarterly accounts on the website.
4.	7(1)(k)	To approve posting of the information on website or sending electrically, which the Pension Fund Manager is required to send to the participants.
5.	8(b)	To approve pledging of the securities held or beneficially owned by the pension fund.
6.	17(3)	To approve the medical board for confirming the disabilities mentioned in rule 17(2) to declare the participant reaching the retirement age.
7.	37(2)	To issue directives to the Pension Fund Manager for immediate compliance.
8.	40(1)	To calculate the index of the weighted average investment return of all the sub-funds offered by different Pension Fund Managers.
9.	41(1)	To publish comparative statement of all the pension funds in the newspapers
10.	45	To call for any information/documents from the Pension Fund Managers within the stipulated period.

**6. Executive Director (Professional Services and Policy Division)**

<u>S. No.</u>	<u>Relevant rule of the Credit Rating Companies Rules, 1995</u>	<u>Nature of power/function</u>
1.	5(2)	Renewal of registration
2.	7	Power to give direction to credit rating companies
3.	8	To call for any document, information etc.
4.	9(2)	Approval for change of chairman/CEO

In addition to above, powers of the Commission as per rules prescribed or regulations made under a particular section of any of the relevant corporate laws are also delegated to the Executive Director concerned, if powers and functions of the Commission provided in such particular section have been delegated to him through this notification.

In case, the post of Executive Director is vacant in a Division or incumbent is not available at the place of his duty, the powers and functions delegated to him through this notification, shall be exercised by the concerned Commissioner.

In case, the post of Commissioner is a vacant in a Division and his charge has not been assigned to another Commissioner, the powers and functions delegated to him through this notification, shall be exercised by the concerned Executive Director.

The powers delegated as above, to the officers other than the Executive Directors, shall be exercised concurrently by their immediate supervisory officers.

The powers delegated to the Commissioners, Executive Directors and other Officers of the Commission, as above, shall be exercised concurrently by Chairman of the Commission.

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[No.ED/SECP-9/2000]

**(Mohammed Hayat Jasra)**  
Secretary