PART II

Statutory Notification (S.R.O.)

GOVERNMENT OF PAKISTAN

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 10th August, 2026

NOTIFICATION

S.R.O.1376(I)/2026.- The following draft amendments to the Securities Brokers (Licensing & Operations) Regulations, 2016, proposed to be made by the Securities and Exchange Commission of Pakistan, in exercise of powers conferred section 169 of the Securities Act, 2015 (III of 2015), are hereby published for information of all persons likely to be affected thereby and notice is hereby given that objections or suggestions, if any, received by the Commission within fourteen days from the date of placement of this notification on the website of the Commission may be taken in to consideration, namely: -

DRAFT AMENDMENTS

In the aforesaid Regulations, in regulation 4, in clause (d), in the proviso, -

(i) paragraph (ii) shall be omitted;

(ii) for paragraph (iv), the following shall be substituted, namely: -

"(iv) The parent and subsidiary shall implement appropriate controls to prevent any sharing of information between the parent and subsidiary company, which can compromise customer interest or result in unfair trade practices including implementation of a formal Chinese Wall Policy, approved by its Board, to ensure strict segregation and prevention of non-public, sensitive, or unwarranted information (including trade instructions and executed trade portfolio strategies) between the parent and subsidiary entities;"; and

(iii) in paragraph (ix), after the semi-colon, at the end, the word "and" shall be omitted and thereafter the following new proviso shall be inserted, namely: -

"Provided that a trading only, wholly owned subsidiary may utilize intra-group clearing and settlement arrangements through its parent brokerage subject to the following conditions:

(i) Only Trading and Self-Clearing (TSC) brokers having a minimum net-worth of PKR 200 million shall be permitted to provide custody and settlement services to its subsidiary brokerage entity.

(ii) Segregation of front-office and back-office systems used by both entities shall be ensured, supported by robust access controls, system firewalls, and adequate audit trails.

(iii) Enhanced monitoring mechanisms shall be implemented by the Compliance function to oversee transactions and the flow of information between the parent brokerage entity and its subsidiary.".

[No. SMD/SE/2(267)/2016]

(Bilal Rasul)
Secretary to the Commission