

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, the 28th April, 2017

NOTIFICATION

S.R.O. 387(I)/2017.— In exercise of powers conferred by sub-section (1) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984), read with clause (b) section 43 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), the Securities and Exchange Commission of Pakistan, with the approval of the Federal Government is pleased to direct that the following further amendments shall be made in the Voluntary Pension System Rules, 2005, the same having been previously published *vide* Notification No. S.R.O. 788(I)/2016, dated the 22nd August 2016 and Notification No. S.R.O. 1146(I)/2016, dated the 8th December 2016, namely:-

In the aforesaid Rules,-

(1) in rule 2,-

(a) in sub-rule (1), -

- (i) clause (e) shall be omitted;
- (ii) for clause (ja), the following shall be substituted, namely:-

“(ja) “exposure” includes finance, subscription to or investment in securities, debt instruments, units or certificates or shares of a Notified Entity, placements, and deposits, with financial institutions, certificates, derivatives, margin trading system or any mechanism that replaces it, but does not include:

- (I) obligations under letters of credit and letters of guarantee to the extent of cash margin held by an NBFC;
- (II) finance provided to financial institutions through REPO transactions with underlying statutory liquidity requirement eligible securities; and
- (III) deposits in current and savings accounts other than term deposits;”;

(iii) in clause (m),-

- (I) in sub-clause (x), the word “and” at the end shall be omitted;

(II) in clause (xi) after the semi colon at the end, the word "and" shall be inserted; and

(III) after sub-clause (xi), amended as aforesaid, the following new sub-clause shall be inserted, namely: -

"(xii) commodity contract that is traded at the Pakistan Mercantile Exchange (PMEX) shall be valued at its last closing price on PMEX on the date as of which it is valued, or if PMEX is not open on such date, then at its last closing price on the next preceding date on which PMEX was open;" and

(iv) clause (u) shall be omitted; and

(b) in sub-rule (2),-

(i) for the expression "Securities and Exchange Ordinance, 1969 (XVII of 1969)" the expression "Securities Act, 2015 (III of 2015), the Futures Market Act, 2016 (XIV of 2016)," shall be substituted; and

(ii) for the expression "Non-Banking Finance Companies Rules, 2003" the expression "Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003" shall be substituted;

(2) in rule 7,-

(a) in clause (e), for the semi colon at the end a colon shall be substituted and thereafter the following proviso shall be added, namely: -

"Provided that the Pension Fund Manager may transmit or make available on its website annual report of the pension fund for participants and it shall make the printed copy available to a participant free of cost as and when required;"

(b) for clause (k), the following shall be substituted, namely:-

"(k) send an account statement as at the 30th June and the 31st December each year, within thirty days after the end of each date, to individual participants, giving detail of the amounts received or withdrawn and tax deducted and the number of units allocated and held, the current valuation of the units and such other information as may be specified by the Commission, free of charge. The Pension

Fund Manager shall also send an account statement each time when there is an activity in the participant's account within seven working days of such activity and the participant shall be entitled to receive any information, in respect of his account, at any time, on written application; and"; and

- (c) in clause (l) for the full stop at the end, a semi colon and the word "; and" shall be substituted and thereafter the following new clause shall be added, namely: -
 - "(m) send a notice to a participant at least thirty days before the chosen date of retirement informing him the options available to him on retirement, as per format prescribed by the Commission from time to time";
- (3) in rule 9,-
 - (a) in sub-rule (2), for the word "allowed" the word "approved" shall be substituted; and
 - (b) in sub-rule (3), for clause (c), the following shall be substituted, namely:-
 - "(c) copy of paid challan form as an evidence for having deposited non-refundable fee of one hundred thousand Rupees in favour of the Commission.";
- (4) in rule 15,-
 - (a) in sub-rule (1), for the words "at the close of the working day corresponding to the date of transfer" the words "on the working day prior to the date of transfer" shall be substituted; and
 - (b) in sub-rule (4), for the words "twenty-one days before the effective date of the proposed change", the words "seven working days before the effective date of the proposed change and the Pension Fund Managers shall record such transactions as transfer in the statement of account of the participant" shall be substituted;
- (5) in rule 17, in sub-rule (1), the expression "A notice shall be sent to the Pension Fund Manager at least thirty days before the chosen date of retirement." shall be omitted;
- (6) in rule 18, in sub-rule (1),-

- (a) after the word "participant" appearing for the first time, the commas and the words ", where no option is selected by him," shall be inserted;
 - (b) for the word "credited" the word "transferred" shall be substituted;
 - (c) for the words "which shall earn the applicable market rate of mark-up for such deposits" the comma and words ", in the lower volatility scheme offered by the Pension Fund Manager" shall be substituted; and
 - (d) in clause (d), for the word "twenty-one" the words "seven working" shall be substituted; and
- (7) in rule 20, for sub-rule (1), the following shall be substituted, namely: -
- “(1) In case of death of a participant before the retirement age, all units of the sub-funds to his credit shall be redeemed at the net asset value notified at close of the day of intimation of death and the amount due shall be transferred to his individual pension account in the lower volatility scheme offered by the Pension Fund Manager.”;
- (8) in rule 21, after the word "writing" at the end, the words "or through such other means as may be approved by the Commission" shall be inserted; and
- (9) in rule 30, for clause (d) the following shall be substituted, namely: -
- “(d) a central depository company or a subsidiary of central depository company or any other company approved by the Commission:
- Provided that the trustee has competent and experienced resources to the satisfaction of the Commission and is registered with the Commission as trustee of mutual funds.”.

No. SY/SECP/8/13


(Bilal Rasul)
Secretary to the Commission