

**GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

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Islamabad, the 3rd February, 2020

NOTIFICATION

S.R.O. 76 (I)/2020.- In exercise of powers conferred by sub-section (1) of section 169 of the Securities Act, 2015 (Act No III of 2015), the Securities and Exchange Commission of Pakistan is pleased to make the following amendments to the Public Offering (Regulated Securities Activities Licensing) Regulations, 2017, the same having been previously published in official gazette vide S.R.O No. 27(I)/2020 dated January 10, 2020 and also placed on the website of the Commission as required by sub-section (4) of section 169 of the Securities Act, 2015 namely :-

In the aforesaid Regulations, -

- (1) In regulation 5, in sub-regulation (1), the following new proviso shall be inserted, namely,-

“Provided that an applicant which is eligible for Trading and Self-Clearing or Trading and Clearing category of licence as a securities broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 and has opted to apply for licence of consultant to the issue and/or underwriter as part of application for licence of a securities broker or application for conversion to any category of securities brokers shall not be required to submit a separate application for licence under these regulations.”

- (2) In regulation 7, the sub-regulation (1), shall be substituted, namely, -

“(I) Subject to the provisions of the Act and these regulations, consultant to the issue or underwriter shall, one month prior to the date of expiry of its license, apply to the Commission on Form C along with an undertaking that it is compliant with all the regulatory requirements.”

- (3) For regulation 12, the following shall be substituted, namely:-

“12. Exemption to financial institutions from licensing requirements in case of Underwriter and banker to an issue.- (1) In terms of section 64 of the Act, a development financial institution and scheduled bank shall be exempt from the licensing requirements to act as an underwriter and

a banker to an issue as given in regulation 5, 6 and 7, subject to the condition that it meets all eligibility criteria given in **Schedule-I**.

(2) Any development financial institution and scheduled bank shall obtain approval of the Commission prior to commencing the business as underwriter and a banker to an issue. The said development financial institution and scheduled bank shall submit a board resolution authorizing it to undertake the business as an underwriter and a banker to an issue. The development financial institution to act as an underwriter and scheduled bank to act as a banker to an issue shall pay a non-refundable fee of Rs. 500,000/-. In case of scheduled bank to act as underwriter, it shall pay a non-refundable fee of Rs. 250,000/-

(3) Any development financial institution and scheduled bank while acting as an underwriter and a banker to an issue shall remain compliant with all the requirements of these Regulations and Public Offering Regulations 2017.

(4) Within one month of the end of each calendar year, every development financial institution engaged in the business of underwriting shall submit an affidavit along with a fee of Rs 100,000/- that it is compliant with all the requirements of these Regulations.

Provided that a scheduled bank already licensed as an underwriter or a banker to an issue, one month prior to expiry of its existing license shall submit an affidavit that it is compliant with all the requirements of these Regulations.

Provided further that within one month of the end of each calendar year a scheduled bank engaged in the business of underwriter and banker to an issue under regulation 12(2) shall submit an affidavit that it is compliant with all the requirements of these Regulations.

(5) Any development financial institution and scheduled bank shall become ineligible to act as underwriter and a banker to an issue if it is non-compliant with any of the requirements of these Regulations including non-submission of affidavit on annual basis.”

(4) In Schedule I, in Clause (3), after sub-clause (ii), the following new proviso shall be inserted, namely,-

“Provided that a Trading and Self-Clearing category securities broker with a minimum Broker rating as may be specified by the Commission shall be eligible for the purposes of sub-regulation (5) of regulation 3 of the Public Offering Regulations, 2017 subject to the condition that the amount to be

underwritten shall not exceed three times of networth of such securities broker and such other conditions as may be imposed by the Commission.”

- (5) In Schedule II, the following shall be substituted, namely,-

“SCHEDULE II

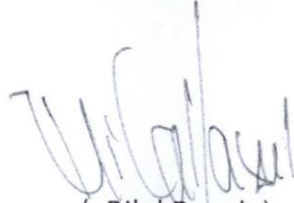
[See regulation 5 and 7]

Sr. No.	Name of regulated securities activity	Fresh license fee
1	Consultant to the issue	Rs. 200,000/-
2	Underwriter	Rs. 250,000/- ”

- (6) In Form C, in first paragraph, the expression “The information and documents mentioned in **Annexure-III** are attached herewith.” shall be omitted.

- (7) The Annexure-III shall be omitted.

[File No. SMD/SE/2(309)/2020]


(Bilal Rasul)
Secretary to the Commission