

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, the 8th April, 2019

NOTIFICATION

S.R.O. 437 (I)/2019.- In exercise of the powers conferred by sub-section (1) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984), read with clause (b) of 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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the same having been previously published *vide* Notification No. S.R.O. 648(I), dated the 27th July 2016 and Notification No. S. R.O. 1061(I)/2017, dated the 17th October, 2017, namely:-

In the aforesaid Rules,-

- (a) in rule 5, in sub-rule (5), for full stop at the end a colon shall be substituted and thereafter the following provisos shall be added, namely:-

“Provided that persons already engaged in business of micro financing shall for grant of licence apply in writing to the Commission within six months from the date of publication of this Notification or such other extended date as may be specified by the Commission through Notification in the official Gazette:

Provided further that a person shall not be required to obtain licence, if engaged in business of micro financing, but having less than five thousand active borrowers or having outstanding loan portfolio of less than fifty million rupees:

Provided also that such person should be receiving funding or financing from a *bona fide* source such as local or international donor agencies of repute or Federal or Provincial Governments or their agencies or entities regulated by the Commission or State Bank of Pakistan or such other sources as specified by the Commission and such providers of fund shall endeavor to route the funding through proper banking channels and to oversee its operations so that these are conducted legitimately, as specified by the Commission.”; and

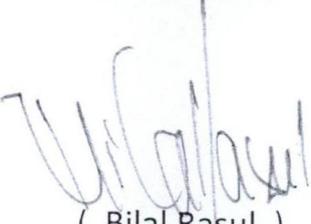
- (b) in rule 7, in sub-rule (2), in clause (ba), in the proviso, for semi-colon at the end a colon shall be substituted and thereafter the following provisos shall be added, namely:-

“Provided further that non-banking microfinance companies may set up non-financial subsidiaries with intimation to the Commission, whose

business is conducted so as to supplement or complement the community service objective of the non-bank microfinance company:

Provided also that the conditionalities and modalities pertaining to these investments shall be specified by the Commission and any exceptions thereto shall be decided by the Commission on case to case basis;”.

[No.SY/SECP/8/13]



(Bilal Rasul)
Secretary to the Commission