

Comparative Statement - Proposed Amendments to the Shariah Governance Regulations, 2023

#	Text of Existing Provisions	Proposed Changes	Rationale
1.	<p>2. Definitions, - (1) In these regulations, unless there is anything repugnant in the subject or context, –</p> <p style="text-align: center;">New definitions added</p>	<p><u>(fa) “Regulated Person”, shall have the same meaning as defined in clause (pb) of sub-section (1) of section 2 of the SECP Act;</u></p>	<p>Certification of companies’ approval by the commission is being restricted to regulated persons, hence a new category is being introduced with special provision.</p>
2.	<p>3. Certification of a Shariah compliant company: - For the purposes of sub-section (1) of section 451 of the Act, every company shall, prior to claiming to be a Shariah compliant company, by whatever name called, obtain a declaration in the form of a Shariah compliance certificate from the Commission in accordance with the provisions of these regulations.</p>	<p>3. Certification of a Shariah compliant company regulated person: - For the purposes of sub-section (1) of section 451 of the Act, every company <u>which is a regulated person,</u> shall, prior to claiming to be a Shariah compliant company, by whatever name called, obtain a declaration in the form of a Shariah compliance certificate from the Commission in accordance with the provisions of these regulations.</p>	<p>As per the Commission’s decision, certification is now only limited for regulated persons that are licensed, registered or authorized otherwise.</p>
3.	<p>4. Grant of Shariah compliance certificate to a company-: (1) Any company desirous of obtaining a declaration in the form of a Shariah compliance certificate shall make an application to the Commission, as set out in Form A, along with documents as mentioned therein and receipt</p>	<p>4. Grant of Shariah compliance certificate to a company regulated person-: (1) Any <u>company regulated person eligible under these regulations,</u> desirous of obtaining a declaration in the form of a Shariah compliance certificate shall <u>constitute, appoint or engage a Shariah</u></p>	<p>To exclude companies not regulated by SECP and those regulated under specialised framework.</p>

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	evidencing the payment of non-refundable processing fee, as prescribed in Schedule I.	<p><u>supervisory board or the Shariah advisor, as the case may be, who shall:</u></p> <p><u>(a) review core business activities and operations of the regulated person in light of Shariah principles and rules;</u></p> <p><u>(b) evaluate, in accordance with the Shariah screening criteria stipulated in these regulations, the nature of the business activities and operations of the regulated person, including its sources of income, investments undertaken, and borrowings, as well as compliance with any other applicable requirements set out in these regulations or as may be specified by the Commission from time to time; and</u></p> <p><u>(c) issue a specific Shariah opinion in accordance with regulation 24, for the suitability of such regulated person for grant of Shariah compliance certificate.</u></p> <p><u>(1A) After obtaining approval in form of a Shariah opinion from the Shariah supervisory board or the Shariah advisor, as the case may be, such regulated person shall</u> make an application to the Commission, as set out in Form A, along with documents as mentioned therein and receipt evidencing the payment of non-refundable</p>	<p>To explicitly clarify that having Shariah board/advisor is mandatory for making such application</p> <p>The primary responsibility of Shariah review and approval rests with the Shariah board/advisor.</p> <p>Through this process, the regulated person will be recognised as Islamic financial institution.</p>

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	<p>(2) The Commission, while considering an application made to it under sub-regulation (1) shall have regard to the nature of business activities and operations, source of income, investments, and borrowing of the company in addition to Shariah screening criteria notified under these regulations and other requirements as provided in these regulations and any other additional requirements, as may be stipulated by the Commission, from time to time. The Commission may, while considering an application under this regulation, may also require the applicant to furnish such additional information, clarification, or documents as it deems appropriate.</p> <p>(3) The Commission may, if it is satisfied that the company seeking Shariah compliance certificate, has fulfilled the requirements, may grant a declaration in form of a Shariah compliance certificate on the format as set out in Form B.</p>	<p>processing fee, as prescribed <u>stipulated</u> in Schedule I.</p> <p>(2) The Commission , while considering an application made to it under sub-regulation (1) shall have regard to the nature of business activities and operations, source of income, investments, and borrowing of the company in addition to Shariah screening criteria notified under these regulations and other requirements as provided in these regulations and any other additional requirements, as may be stipulated by the Commission, from time to time. The Commission may, while considering an application under this regulation, may also require the applicant to furnish such additional information, clarification, or documents as it deems appropriate.</p> <p>(3) The Commission may, if it is satisfied that the <u>company-regulated person</u> seeking Shariah compliance certificate, has fulfilled the requirements, may grant a declaration in form of a Shariah compliance certificate on the format as set out in Form B.</p>	<p>Shariah review related responsibilities have been moved to the Shariah supervisor board/ Shariah advisor of the applicant</p> <p>Consequential change</p>

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	<p>(4) A company declared as Shariah compliant by the Commission under this regulation, shall;</p> <p>(a) ..</p> <p>(b)</p> <p>(c)</p> <p>(5) A company declared as Shariah compliant by the Commission under this regulation shall divest the Shariah non-compliant investments above the quantitative tolerance levels, and any such Shariah compliant investments that may subsequently become Shariah non-compliant, in a manner and within such time period, as may be determined by its Shariah supervisory board or the Shariah advisor, as the case may be.</p> <p>(6) The company referred in sub-regulation (5) shall, with approval of its Shariah supervisory board or the Shariah advisor, as the case may be, implement a policy for purification of its income and disbursement of Shariah non-compliant income, as charity.</p> <p>(7) The Shariah compliance certificate granted under sub-regulation (3), shall remain valid unless voluntarily surrendered by the company or</p>	<p>(4) A <u>regulated person</u>company declared as Shariah compliant by the Commission under this regulation, shall;</p> <p>(a) ..</p> <p>(b)</p> <p>(c)</p> <p>(5) A <u>regulated person</u>company declared as Shariah compliant by the Commission under this regulation shall divest the Shariah non-compliant investments above the quantitative tolerance levels, and any such Shariah compliant investments that may subsequently become Shariah non-compliant, in a manner and within such time period, as may be determined by its Shariah supervisory board or the Shariah advisor, as the case may be.</p> <p>(6) The <u>regulated person</u>company referred in sub-regulation (5) shall, with approval of its Shariah supervisory board or the Shariah advisor, as the case may be, implement a policy for purification of its income and disbursement of Shariah non-compliant income, as charity.</p> <p>(7) The Shariah compliance certificate granted under sub-regulation (3), shall remain valid unless voluntarily surrendered by the <u>regulated</u></p>	

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	suspended or cancelled by the Commission, whichever is earlier.	person company or suspended or cancelled by the Commission, whichever is earlier.	
4.	New Chapter IIA	<p><u>CHAPTER IIA. CERTIFICATION OF SHARIAH COMPLIANT COMPANIES OTHER THAN REGULATED PERSONS</u></p> <p><u>6A. Shariah compliance certificate. - (1) For the purposes of sub-section (1) of section 451 of the Act, every company, other than a regulated person, prior to claiming to be a Shariah compliant company, by whatever name called, shall-</u></p> <p><u>(a) constitute, appoint, or engage a Shariah supervisory board or Shariah advisor, as the case may be, provided that the Shariah advisor shall not be an individual;</u></p> <p><u>(b) demonstrate that the nature of its business activities and operations, including its sources of income, investments undertaken, and borrowings, is in compliance with the Shariah screening criteria stipulated in these regulations, as well as with all other applicable requirements set out herein or as may be specified by the Commission from time to time; and</u></p> <p><u>(c) obtain a Shariah opinion from its Shariah supervisory board or, as the case may be, the Shariah advisor, confirming that the</u></p>	<p>New provisions introduced for certification by the Shariah Board/advisor instead of Commission for the companies that are not regulated persons.</p> <p>To ensure quality of Shariah advisory service, individual Shariah advisors are restricted.</p>

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		<p><u>evaluation carried out under clause (b) is in compliance with the Shariah screening criteria, other applicable requirements prescribed under these regulations, and the Shariah rules and principles.</u></p> <p><u>(2) Based on the Shariah opinion referred in clause (c), the Shariah supervisory board, or the Shariah advisor, as the case may be, may grant a declaration in form of a Shariah compliance certificate, and such company shall-</u></p> <p><u>(a) report the same to the Commission, on Form B1, along with the documents specified therein and a receipt evidencing payment of the non-refundable fee as stipulated in Schedule I, within 30 days of obtaining the Shariah opinion;</u></p> <p><u>(b) admit that raising loans on interest is prohibited, whatsoever the amount, and it shall endeavour to settle the interest-bearing loan at the earliest possible time and shall not take any further interest-based loan in ordinary course of business:</u></p> <p><u>Provided that in case of a dire need, such loans may be raised with specific</u></p>	<p>To define the process of obtaining Shariah Opinion for unregulated companies.</p> <p>Filing the intimation allows the regulator to maintain an up-to-date record of companies recognized as Shariah compliant, enhancing regulatory oversight and market confidence.</p>



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		<p><u>approval of the Shariah supervisory board or the Shariah advisor, as the case may be, and the board of directors with complete disclosure in the annual financial statements and annual report;</u></p> <p><u>(c) admit that any interest-based investment is prohibited, whatsoever the amount, and it shall endeavour to dispose of the same and not make any further interest-based investments;</u></p> <p><u>(d) make concerted efforts to eliminate any prohibited elements from its income, operations, assets, and liabilities; and</u></p> <p><u>(e) divest the Shariah non-compliant investments above the quantitative tolerance levels, and any such Shariah compliant investments that may subsequently become Shariah non-compliant, in a manner and within such time period, as may be determined by its Shariah supervisory board or the Shariah advisor, as the case may be.</u></p> <p><u>(3). The Commission may, at any time, call for additional information or documents, or conduct</u></p>	<p>To empower the Commission to safeguard the integrity of Shariah compliance, which is particularly</p>

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		<p><u>inquiries or inspections to verify compliance with these regulations and assess the quality of Shariah governance and oversight of the company.</u></p> <p><u>(4). If, at any time, the Commission is satisfied that:</u></p> <ul style="list-style-type: none"> <u>(a) the Shariah opinion has been obtained or issued in contravention of any provision of these regulations;</u> <u>(b) the company has ceased to comply with the requirements stipulated under these regulations; or</u> <u>(c) the Shariah supervisory board or the Shariah advisor, as the case may be, has failed to discharge its responsibilities in an independent, impartial, or diligent manner;</u> <p><u>the Commission may, after providing an opportunity of being heard, issue such directions to the Shariah supervisory board or the Shariah advisor, as the case may be, as it may consider necessary.</u></p> <p><u>(5). The Commission may, from time to time, issue guidelines, prescribe forms, or specify additional requirements for the purposes of this regulation.</u></p>	<p>important for the unregulated sector where certification is delegated to Shariah Advisors, ensuring accountability and adherence to regulatory standards.</p>

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5.	<p>8. Grant of Shariah compliance certificate to an issuer: - (1) An issuer of a Shariah compliant security shall make an application to the Commission, as set out in Form C, along with documents as required therein and receipt evidencing the payment of non-refundable processing fee as prescribed in Schedule I.</p>	<p>8. Grant of Shariah compliance certificate to an issuer: - (1) An issuer of a Shariah compliant security shall make an application to the Commission, as set out in Form C, along with documents as required therein and receipt evidencing the payment of non-refundable processing fee as prescribed in Schedule I:-</p> <p><u>Provided that</u></p> <p><u>(a) where an issuer has already obtained a Shariah compliance certificate under these regulations for a security and intends to issue another security having a similar underlying structure, same mode of Islamic financing, and the same terms and conditions, except for commercial terms such as pricing and issue size, no further Shariah compliance certificate shall be required from the Commission for such security and such issuer shall report to the Commission on Form E, along with the documents specified therein and a receipt evidencing payment of the non-refundable fee as stipulated in Schedule I;</u></p> <p><u>(b) where a fund, plan or scheme is to be offered as an Islamic collective investment scheme, the issuer shall, prior to issuance</u></p>	<p>To create flexibility to exclude or exempt the approval requirements for repeat issuer of sukuk, and an issuer of Islamic collective investment scheme, subject to filing</p>

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	<p>(3) The Commission may, if it is satisfied that an applicant under sub-regulation (1) has fulfilled the requirements of these regulations, grant a declaration in form of a Shariah compliance certificate on the format as set out in Form D, subject to such terms and condition or restrictions as it deem fit to impose.</p> <p>Provided that the Commission may at any time impose, vary or revoke such restrictions or conditions as it may require.</p> <p>Provided further that if an issuer has already obtained a Shariah compliance certificate under these regulations for a security and is desirous to issue another security of similar underlying structure, same mode of Islamic financing and on same terms and conditions except commercial terms such as pricing, issue size etc., no further Shariah compliance certificate</p>	<p><u>of unites and within thirty days of obtaining the Shariah opinion from its Shariah Supervisory Board or the Shariah advisor, as the case may be, confirming compliance with Shariah rules and principles, report to the Commission on Form E1, along with the documents specified therein and a receipt evidencing payment of the non-refundable fee as stipulated in Schedule I.</u></p> <p>(3) The Commission may, if it is satisfied that an applicant under sub-regulation (1) has fulfilled the requirements of these regulations, grant a declaration in form of a Shariah compliance certificate on the format as set out in Form D, subject to such terms and condition or restrictions as it deem fit to impose.</p> <p>Provided that the Commission may at any time impose, vary or revoke such restrictions or conditions as it may require.</p> <p>Provided further that if an issuer has already obtained a Shariah compliance certificate under these regulations for a security and is desirous to issue another security of similar underlying structure, same mode of Islamic financing and on same terms and conditions except commercial terms such as pricing, issue size etc., no further Shariah compliance certificate</p>	<p>Omitted as included in sub-regulation (1) above</p>

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	shall be required from the Commission for such security subject to filing of intimation as per Form E along with such documents as mentioned therein and receipt evidencing the payment of non-refundable fee as prescribed in Schedule I.	shall be required from the Commission for such security subject to filing of intimation as per Form E along with such documents as mentioned therein and receipt evidencing the payment of non-refundable fee as prescribed in Schedule I.	
6.	<p>13. Shariah supervisory board, - (1)</p> <p>(2) Subject to sub-regulation (1), a Shariah-compliant company and Islamic financial institution may voluntarily form, constitute, appoint, or engage a Shariah supervisory board, comprising at least two persons who meet the fit and proper criteria of Shariah scholar member and other requirements as provided in these regulations.</p> <p>(3) ..</p> <p>(4) A Shariah supervisory board shall not function unless one of its members is registered as a Shariah advisor under these regulations.</p>	<p>13. Shariah supervisory board, - (1)</p> <p>(2) Subject to sub-regulation (1), a Shariah-compliant company and Islamic financial institution may voluntarily form, constitute, appoint, or engage a Shariah supervisory board, comprising at least two persons who meet the fit and proper criteria of Shariah scholar member <u>and at least one Islamic finance expert</u> and other requirements as provided in these regulations.</p> <p>(3) ...</p> <p>(4) A Shariah supervisory board shall not function unless one of its members is registered as a Shariah advisor under these regulations. <u>commence or continue to function unless its formation, constitution, appointment, or engagement has been duly reported to the Commission, on Form M, along with the documents specified therein and a receipt evidencing payment of the non-refundable fee as stipulated in Schedule I, together with evidence</u></p>	<p>Rectification and alignment with regulation 16(4)</p> <p>Replaced the requirement of registration of a member of board, with reporting requirement to promote the formation of boards comprising the members that meet the prescribed criteria.</p>

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		<u>demonstrating that its members meet the fit and proper criteria stipulated in these Regulations.</u>	
7.	<p>17. Conditions of registration, - (1) A registration under regulation 16 shall be subject to the following conditions:</p> <p>(a) In case a registered person is a company, it shall seek and obtain declaration and certification of Shariah compliant company under these regulations, within a period of six months from the date of promulgation of these regulations, and shall comply with these regulations as a company as well.</p>	<p>17. Conditions of registration, - (1) A registration under regulation 16 shall be subject to the following conditions:</p> <p>(a) In case a registered person is a company, it shall <u>be deemed as Shariah compliant company and shall be required to comply with the regulation pertaining to Shariah compliant company, in addition to all other applicable requirements stipulated herein.</u> seek and obtain declaration and certification of Shariah compliant company under these regulations, within a period of six months from the date of promulgation of these regulations, and shall comply with these regulations as a company as well.</p>	To omit the requirement of mandatory certification of Shariah compliant company registered as Shariah advisor.
8.	<p style="text-align: center;">FORM-B</p> <p style="text-align: center;">[See Regulation 4(3)]</p> <p style="text-align: center;">SHARIAH COMPLIANCE CERTIFICATE FOR A SHARIAH COMPLIANT COMPANY</p>  <p style="text-align: center;">Securities and Exchange Commission of Pakistan Islamic Finance Department</p> <p style="text-align: center;">SECP</p>	<p style="text-align: center;">FORM-B</p> <p style="text-align: center;">[See Regulation 4(3)]</p> <p style="text-align: center;">SHARIAH COMPLIANCE CERTIFICATE FOR A SHARIAH COMPLIANT COMPANY</p>  <p style="text-align: center;">Securities and Exchange Commission of Pakistan Islamic Finance Department</p> <p style="text-align: center;">SECP</p>	To simplify for bringing clarity



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	<p style="text-align: center;">Certificate No. Islamabad, [date]</p> <p style="text-align: center;">SHARIAH COMPLIANCE CERTIFICATE FOR A SHARIAH COMPLIANT COMPANY</p> <p>The Securities and Exchange Commission of Pakistan, having considered the application for grant of Shariah compliant certificate for a company under regulation 4 of the Shariah Governance Regulations, 2023 (the "Regulations") read with Section 451 of the Companies Act, 2017 (XIX of 2017) submitted by [Name of a Company] and on being satisfied that the company meets the requirements of these regulations including the Shariah screening criteria, hereby grants Shariah compliance certificate, in exercise of the powers conferred by regulation 4(3) of the Regulations, subject to the conditions stated herein below or as may be prescribed or imposed hereafter: -</p>	<p style="text-align: center;">Certificate No. Islamabad, [date]</p> <p style="text-align: center;">SHARIAH COMPLIANCE CERTIFICATE FOR A SHARIAH COMPLIANT COMPANY</p> <p>The Securities and Exchange Commission of Pakistan, having considered the application <u>submitted by [Name of Company] under regulation 4 of the Shariah Governance Regulations, 2023 (the "Regulations"), read with section 451 of the Companies Act, 2017 (XIX of 2017), and being satisfied that the company meets the requirements of the Regulations, including the <u>Shariah screening criteria, hereby grants a Shariah compliance certificate, subject to the conditions specified herein and any other conditions as may be stipulated or imposed from time to time.: for grant of Shariah compliant certificate for a company under regulation 4 of the Shariah Governance Regulations, 2023 (the "Regulations") read with Section 451 of the Companies Act, 2017 (XIX of 2017) submitted by [Name of a Company] and on being satisfied that the company meets the requirements of these regulations including the Shariah screening criteria, hereby grants Shariah compliance</u></u></p>	

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	<p><u>Standard Conditions</u></p> <ol style="list-style-type: none"> 1. [Name of Company] shall comply with applicable provisions of the Companies Act, 2017, the Regulations, and any directives, circulars, codes, notifications and guidelines issued or are issued from time to time by the Commission and its Shariah supervisory board or the Shariah advisor; 2. [Name of Company] shall submit annual Shariah review report or such other reports as specified in the applicable laws; and 3. This certificate shall remain valid unless voluntarily surrendered by the company or suspended or cancelled by the Commission as provided in sub-regulation (2) of regulation 4 of the Regulations. <p><u>Specific Conditions, if any</u></p>	<p>certificate, in exercise of the powers conferred by regulation 4(3) of the Regulations, subject to the conditions stated herein below or as may be prescribed or imposed hereafter :-</p> <p><u>Standard Conditions</u></p> <ol style="list-style-type: none"> 1. [Name of Company] shall comply with applicable provisions of the Companies Act, 2017, the Regulations, and any directives, circulars, codes, notifications and guidelines issued or are issued from time to time by the Commission and its Shariah supervisory board or the Shariah advisor; 2. [Name of Company] shall submit annual Shariah review report or such other reports as specified in the applicable laws; and 3. This certificate shall remain valid unless voluntarily surrendered by the company or suspended or cancelled by the Commission as provided in sub-regulation (2) of regulation 4 of the Regulations. <p><u>Specific Conditions, if any</u></p>	

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	<p>(Sign and Official Seal)</p> <p><i>Disclaimer: A Shariah compliance certificate granted under the Regulations, is subject to regulation 5 and shall not be considered as a substitute to any other regulatory approval or Halal certification, which may require separate approval or license from the respective regulatory authority.</i></p>	<p>(Sign and Official Seal)</p> <p><i>Disclaimer: A Shariah compliance certificate granted under the Regulations, is subject to regulation 5 and shall not be considered as a substitute to any other regulatory approval or Halal certification, which may require separate approval or license from the respective regulatory authority.</i></p>	
9.	<p>New insertion</p>	<p><u>FORM-B1</u></p> <p><u>[See regulation 6A(2)(a)]</u></p> <p><u>REPORTING OF DECLARATION OF A SHARIAH COMPLIANT COMPANY (OTHER THAN REGULATED PERSON)</u></p> <p>Dated: _____</p> <p><u>The Islamic Finance Department</u> <u>Securities and Exchange Commission of Pakistan</u> <u>Islamabad.</u></p> <p><u>Subject: Reporting of declaration of [Name of Company] as a Shariah compliant company (other than regulated person)</u></p>	Consequential change

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		<p><u>Dear Sir/Madam,</u></p> <p><u>1. It is hereby reported, pursuant to the regulation 6A(1)(b) of the Shariah Governance Regulations, 2023 (the "Regulations") read with Section 451 of the Companies Act, 2017 (the "Act"), the [Name of Company] has been declared as a Shariah-compliant company with approval of our Shariah supervisory board/Shariah advisor.</u></p> <p><u>2. We hereby furnish the following information/documents:</u></p> <p><u>a) An undertaking on a non-judicial stamp paper by the chief executive officer of the company that:</u></p> <p><u>(i) a Shariah opinion has been obtained from the Shariah supervisory board or the Shariah advisor to that effect;</u></p> <p><u>(ii) the information contained in this report and documents attached thereto is correct; and</u></p> <p><u>(iii) the [Name of Company] re-affirms its commitment to uphold the</u></p>	

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		<p><u>sanctity of Shariah principles and rules and adhere them in their true spirit.</u></p> <p><u>b) Shariah opinion from the Shariah supervisory board or the Shariah advisor, in original;</u></p> <p><u>c) Bank challan evidencing payment of non-refundable application fee as stipulated in Schedule I of the Regulations.</u></p> <p><u>3. Scanned/electronic copies of the application and the required information/documents have also been provided through email at islamic.finance@secp.gov.pk</u></p> <p><u>Yours faithfully,</u></p> <p><u>Name and signature of authorized officer.</u></p>	
10.	<p>FORM-D</p> <p>[See regulation 8(3)]</p>	<p>FORM-D</p> <p>[See regulation 8(3)]</p>	To simplify for bringing clarity



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	<p align="center">GRANT OF SHARIAH COMPLIANCE CERTIFICATE TO AN ISSUER FOR A SHARIAH COMPLIANT SECURITY</p>  <p align="center">Securities and Exchange Commission of Pakistan Islamic Finance Department</p> <hr/> <p>Certificate No. Islamabad, [date]</p> <p align="center">SHARIAH COMPLIANCE CERTIFICATE TO AN ISSUER FOR A SHARIAH COMPLIANT SECURITY</p> <p>The Securities and Exchange Commission of Pakistan, having considered the application for grant of Shariah compliant certificate to an issuer for a security under regulation 8 of the Shariah Governance Regulations, 2023 (the “Regulations”) read with Section 451 of the Companies Act, 2017 (XIX of 2017) submitted by [Name of the issuer] and being satisfied that the security is Shariah compliant, hereby grants, Shariah compliance certificate for issuance of (name of security/model structure) amounting to Rs..... in exercise of the powers conferred by regulation 8 of the Regulations, subject to the conditions stated</p>	<p align="center">GRANT OF SHARIAH COMPLIANCE CERTIFICATE TO AN ISSUER FOR A SHARIAH COMPLIANT SECURITY</p>  <p align="center">Securities and Exchange Commission of Pakistan Islamic Finance Department</p> <hr/> <p>Certificate No. Islamabad, [date]</p> <p align="center">SHARIAH COMPLIANCE CERTIFICATE TO AN ISSUER FOR A SHARIAH COMPLIANT SECURITY</p> <p>The Securities and Exchange Commission of Pakistan, having considered the application <u>submitted by [Name of the Issuer] under regulation 8 of the Shariah Governance Regulations, 2023 (the “Regulations”), read with section 451 of the Companies Act, 2017 (XIX of 2017), and being satisfied that the security is Shariah compliant, hereby grants a Shariah compliance certificate for the issuance of [name of security/model structure] of an issue amount to Rs. [●], subject to the conditions specified herein and any other conditions as may be stipulated or imposed from time to time for grant of Shariah compliant certificate to an issuer for a security</u></p>	

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	<p>herein below or as may be prescribed or imposed hereafter: -</p> <p>Standard Conditions</p> <ol style="list-style-type: none"> 1. [Name of the issuer] shall comply with the applicable provisions of the Companies Act, 2017, the Regulations, and any directives, circulars, codes, notifications and guidelines issued or are issued from time to time by the Commission and its Shariah supervisory board or the Shariah advisor; 2. [Name of the issuer] shall develop and implement a mechanism to ensure compliance with the Shariah principles and rules pertaining to the Shariah compliance securities; and 	<p>under regulation 8 of the Shariah Governance Regulations, 2023 (the "Regulations") read with Section 451 of the Companies Act, 2017 (XIX of 2017) submitted by [Name of the issuer] and being satisfied that the security is Shariah compliant, hereby grants, Shariah compliance certificate for issuance of (name of security/model structure) amounting to Rs..... in exercise of the powers conferred by regulation 8 of the Regulations, subject to the conditions stated herein below or as may be prescribed or imposed hereafter: -</p> <p>Standard Conditions</p> <ol style="list-style-type: none"> 1. [Name of the issuer] shall comply with the applicable provisions of the Companies Act, 2017, the Regulations, and any directives, circulars, codes, notifications and guidelines issued or are issued from time to time by the Commission and its Shariah supervisory board or the Shariah advisor; 2. [Name of the issuer] shall develop and implement a mechanism to ensure compliance with the Shariah principles and rules pertaining to the Shariah compliance securities; and 	



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	<p>3. [Name of the issuer] shall submit annual Shariah review report or such other reports as specified in the applicable laws.</p> <p>Specific Conditions, if any</p> <p>(Sign and Official Seal)</p>	<p>3. [Name of the issuer] shall submit annual Shariah review report or such other reports as specified in the applicable laws.</p> <p>Specific Conditions, if any</p> <p>(Sign and Official Seal)</p>	
11.	<p style="text-align: center;">FORM-E</p> <p style="text-align: center;">[See regulation 8(3) 2nd Proviso]</p> <p style="text-align: center;">REPORTING OF A SHARIAH COMPLIANT SECURITY TO BE ISSUED AS PER APPROVED STRUCTURE</p>	<p style="text-align: center;">FORM-E</p> <p style="text-align: center;">[See regulation 8(3) 2nd Proviso(a)]</p> <p style="text-align: center;">REPORTING OF A SHARIAH COMPLIANT SECURITY TO BE ISSUED AS PER APPROVED STRUCTURE</p>	Consequential change
12.	<p style="text-align: center;"><u>New Insertion</u></p>	<p style="text-align: center;"><u>FORM-E1</u></p> <p style="text-align: center;">[See regulation 8(1) (b)]</p> <p style="text-align: center;"><u>REPORTING OF A SHARIAH COMPLIANT SECURITY (ISLAMIC COLLECTIVE INVESTMENT SCHEME) TO BE ISSUED</u></p> <p style="text-align: center;">Dated: _____</p> <p style="text-align: center;"><u>The Islamic Finance Department</u> <u>Securities and Exchange Commission of Pakistan</u></p>	Consequential change

#	Text of Existing Provisions	Proposed Changes	Rationale
		<p><u>Islamabad.</u></p> <p><u>Subject: Reporting of a Shariah compliant security [Name of Security] to be issued</u></p> <p><u>Dear Sir/Madam,</u></p> <p><u>1. It is hereby reported that, pursuant to the regulation 8(1)(b) of the Shariah Governance Regulations, 2023 (the “Regulations”) read with Section 451 of the Companies Act, 2017 (the “Act”), the [Name of Security] is to be issued with approval of our Shariah Supervisory Board/Shariah advisor.</u></p> <p><u>2. We hereby furnish the following information/documents:</u></p> <p><u>a) An undertaking on a non-judicial stamp paper by the chief executive officer of the company that:</u></p> <p><u>(i) a Shariah opinion has been obtained from the Shariah supervisory board or the Shariah advisor to that effect;</u></p>	

#	Text of Existing Provisions	Proposed Changes	Rationale
		<p><u>(ii) the information contained in this report and documents attached thereto is correct; and</u></p> <p><u>(iii) the issuer re-affirms its commitment to uphold the sanctity of Shariah principles and rules and adhere them in their true spirit.</u></p> <p><u>b) Shariah opinion from the Shariah supervisory board or the Shariah advisor, in original;</u></p> <p><u>c) Bank challan evidencing payment of non-refundable application fee as specified in Schedule I of the Regulations.</u></p> <p><u>3. Scanned/electronic copies of the application and the required information/documents have also been provided through email at islamic.finance@secp.gov.pk</u></p> <p><u>Yours faithfully,</u></p> <p><u>Name and signature of authorized officer</u></p>	
13.	<p>FORM-G [See regulation 9(3)]</p>	<p>FORM-G [See regulation 9(3)]</p>	To simplify for bringing clarity

#	Text of Existing Provisions	Proposed Changes	Rationale
	<p style="text-align: center;">GRANT OF SHARIAH COMPLIANCE CERTIFICATE TO A PERSON OTHER THAN ISSUER FOR SHARIAH COMPLIANT SECURITY/IES</p> <div style="text-align: center;">  <p>Securities and Exchange Commission of Pakistan Islamic Finance Department</p> <hr/> <p>SECP Certificate No. _____</p> <p style="text-align: right;">Islamabad, [date]</p> </div> <p style="text-align: center;">SHARIAH COMPLIANCE CERTIFICATE FOR SHARIAH COMPLIANT SECURITY/IES</p> <p>The Securities and Exchange Commission of Pakistan, having considered the application for grant of Shariah compliant certificate for security/ies under regulation 9 of the Shariah Governance Regulations, 2023 (the “Regulations”) read with Section 451 of the Companies Act, 2017 (XIX of 2017) submitted by [Name of the applicant/person] and being satisfied that the requirements of the Regulations have been complied with, hereby grants Shariah compliance certificate for selection of Shariah compliant securities, in exercise of the powers</p>	<p style="text-align: center;">GRANT OF SHARIAH COMPLIANCE CERTIFICATE TO A PERSON OTHER THAN ISSUER FOR SHARIAH COMPLIANT SECURITY/IES</p> <div style="text-align: center;">  <p>Securities and Exchange Commission of Pakistan Islamic Finance Department</p> <hr/> <p>SECP Certificate No. _____</p> <p style="text-align: right;">Islamabad, [date]</p> </div> <p style="text-align: center;">SHARIAH COMPLIANCE CERTIFICATE FOR SHARIAH COMPLIANT SECURITY/IES</p> <p>The Securities and Exchange Commission of Pakistan, having considered the application <u>[Name of the Applicant/Person] under regulation 9 of the Shariah Governance Regulations, 2023 (the “Regulations”), read with section 451 of the Companies Act, 2017 (XIX of 2017), and being satisfied that the requirements of the Regulations have been complied with, hereby grants a Shariah compliance certificate for the selection of Shariah-compliant securities based on the Shariah stock screening criteria, subject to the conditions specified herein and any other conditions as may be stipulated or imposed from time to time for grant of Shariah compliant certificate for</u></p>	

#	Text of Existing Provisions	Proposed Changes	Rationale
	<p>conferred by regulation 9(3) of the Regulations and subject to the conditions stated herein below or as may be prescribed or imposed hereafter: -</p> <p><u>Standard Conditions</u></p> <ol style="list-style-type: none"> 1. [Name of the applicant/person] shall comply with the applicable provisions of the Companies Act, 2017, the Regulations, and any directives, circulars, codes, notifications and guidelines issued or are issued from time to time by the Commission and its Shariah supervisory board or the Shariah advisor; 2. [Name of the applicant/person] shall develop and implement a mechanism to ensure compliance with the Shariah principles and rules pertaining to the Shariah compliance securities; and 	<p>security/ies under regulation 9 of the Shariah Governance Regulations, 2023 (the "Regulations") read with Section 451 of the Companies Act, 2017 (XIX of 2017) submitted by [Name of the applicant/person] and being satisfied that the requirements of the Regulations have been complied with, hereby grants Shariah compliance certificate for selection of Shariah compliant securities, in exercise of the powers conferred by regulation 9(3) of the Regulations and subject to the conditions stated herein below or as may be prescribed or imposed hereafter: -</p> <p><u>Standard Conditions</u></p> <ol style="list-style-type: none"> 1. [Name of the applicant/person] shall comply with the applicable provisions of the Companies Act, 2017, the Regulations, and any directives, circulars, codes, notifications and guidelines issued or are issued from time to time by the Commission and its Shariah supervisory board or the Shariah advisor; 2. [Name of the applicant/person] shall develop and implement a mechanism to ensure compliance with the Shariah principles and rules pertaining to the Shariah compliance securities; and 	

#	Text of Existing Provisions	Proposed Changes	Rationale
	<p>3. [Name of the applicant/person] shall submit annual Shariah review report or such other reports as specified in the applicable laws.</p> <p><u>Specific Conditions, if any</u></p> <p>(Signature and Official Seal)</p>	<p>3. [Name of the applicant/person] shall submit annual Shariah review report or such other reports as specified in the applicable laws.</p> <p><u>Specific Conditions, if any</u></p> <p>(Signature and Official Seal)</p>	
14.	<p style="text-align: center;">FORM J</p> <p style="text-align: center;">[see regulation 16(6)]</p> <p style="text-align: center;">CERTIFICATE OF REGISTRATION</p> <div style="text-align: center;">  <p>Securities and Exchange Commission of Pakistan Islamic Finance Department</p> <hr style="width: 20%; margin: auto;"/> <p>Certificate No. IFD/ Islamabad, [date]</p> <p>REGISTRATION CERTIFICATE</p> <p>SHARIAH ADVISOR/RESIDENT MEMBER OF SHARIAH SUPERVISORY BOARD</p> </div> <p>The Securities and Exchange Commission of Pakistan, having considered the application for</p>	<p style="text-align: center;">FORM J</p> <p style="text-align: center;">[see regulation 16(6)]</p> <p style="text-align: center;">CERTIFICATE OF REGISTRATION</p> <div style="text-align: center;">  <p>Securities and Exchange Commission of Pakistan Islamic Finance Department</p> <hr style="width: 20%; margin: auto;"/> <p>Certificate No. IFD/ Islamabad, [date]</p> <p>REGISTRATION CERTIFICATE</p> <p>SHARIAH ADVISOR/RESIDENT MEMBER OF SHARIAH SUPERVISORY BOARD</p> </div> <p>The Securities and Exchange Commission of Pakistan, having considered the application</p>	To simplify for bringing clarity

#	Text of Existing Provisions	Proposed Changes	Rationale
	<p>grant/renewal of registration as Shariah advisor/resident member of Shariah supervisory board under regulation 16/18 of the Shariah Governance Regulations, 2023 (the "Regulations") read with Section 451 of the Companies Act, 2017 (XIX of 2017) submitted by [Name of the applicant/person] and being satisfied that the requirements of the Regulations have been complied with, hereby grants registration certificate to [Name of the applicant/person] as Shariah advisor/resident member of Shariah supervisory board in exercise of the powers conferred by regulation 16(6)/18(3) of the Regulations and subject to the conditions stated herein below or as may be prescribed or imposed hereafter: -</p> <p><u>Standard Conditions</u></p>	<p>submitted for grant/ renewal of registration as a Shariah advisor <u>under regulation 16/18 of the Shariah Governance Regulations, 2023 (the "Regulations"), read with section 451 of the Companies Act, 2017 (XIX of 2017), and being satisfied that the requirements of the Regulations have been complied with, hereby grants registration/renewal of registration to [Name of the Applicant, Father Name and CNIC Number] as a Shariah advisor, subject to the conditions specified herein and any other conditions as may be stipulated or imposed from time to time.</u> /resident member of Shariah supervisory board under regulation 16/18 of the Shariah Governance Regulations, 2023 (the "Regulations") read with Section 451 of the Companies Act, 2017 (XIX of 2017) submitted by [Name of the applicant/person] and being satisfied that the requirements of the Regulations have been complied with, hereby grants registration certificate to [Name of the applicant/person] as Shariah advisor/resident member of Shariah supervisory board in exercise of the powers conferred by regulation 16(6)/18(3) of the Regulations and subject to the conditions stated herein below or as may be prescribed or imposed hereafter: -</p> <p><u>Standard Conditions</u></p>	

#	Text of Existing Provisions	Proposed Changes	Rationale
	<p>1. This registration certificate shall remain valid till [date] unless voluntarily surrendered or suspended or cancelled under the Regulations</p> <p>2. [Name of the applicant/person] shall comply with the applicable provisions of the Companies Act, 2017, the Regulations, and any directives, circulars, codes, notifications and guidelines issued or are issued from time to time by the Commission; and</p> <p>3. [Name of the applicant/person] shall submit annual report as provided in the Regulations and such other reports as specified in the applicable laws.</p> <p><u>Specific Conditions, if any</u> (Signature and Official Seal)</p> <p>Note: This registration shall only be valid for providing Shariah supervisory services to the Shariah compliant companies, Issuers of Shariah compliant securities and other regulated persons providing Islamic financial services within regulatory domain of the Commission including but not limited to takaful operators, modarabas, Islamic mutual funds, Islamic pension funds,</p>	<p>1. This registration certificate shall remain valid till [date] unless voluntarily surrendered or suspended or cancelled under the Regulations</p> <p>2. [Name of the applicant/person] shall comply with the applicable provisions of the Companies Act, 2017, the Regulations, and any directives, circulars, codes, notifications and guidelines issued or are issued from time to time by the Commission; and</p> <p>3. [Name of the applicant] shall submit annual report as provided in the Regulations and such other reports as specified in the applicable laws.</p> <p><u>Specific Conditions, if any</u> (Signature and Official Seal)</p> <p>Note: This registration shall only be valid for providing Shariah supervisory services to the Shariah compliant companies, Issuers of Shariah compliant securities and other regulated persons providing Islamic financial services within regulatory domain of the Commission including but not limited to takaful operators, modarabas,</p>	

#	Text of Existing Provisions	Proposed Changes	Rationale
	NBFCs, securities exchange, futures exchange, clearing company, depository company, securities and future brokers, security advisors, credit rating companies, etc.	Islamic mutual funds, Islamic pension funds, NBFCs, securities exchange, futures exchange, clearing company, depository company, securities and future brokers, security advisors, credit rating companies, etc.	
15.	New Insertion	<p style="text-align: center;"><u>FORM-M</u></p> <p style="text-align: center;"><u>[See regulation 13(4)]</u></p> <p style="text-align: center;"><u>REPORTING OF SHARIAH SUPERVISORY BOARD</u></p> <p style="text-align: center;">Dated: _____</p> <p><u>The Islamic Finance Department</u> <u>Securities and Exchange Commission of Pakistan</u> <u>Islamabad.</u></p> <p><u>Subject: Reporting of Shariah supervisory board of [Name of Company/Entity]</u></p> <p><u>Dear Sir/Madam,</u></p> <p><u>1. It is hereby reported that, pursuant to the regulation 13(4) of the Shariah Governance Regulations, 2023 (the "Regulations") read with Section 451 of the Companies Act, 2017 (the "Act"), the [Name of Company/Entity] has</u></p>	Consequential change

#	Text of Existing Provisions	Proposed Changes	Rationale
		<p><u>formed/constituted/appointed/engaged a Shariah supervisory board comprising the following:</u></p> <ul style="list-style-type: none"> <u>a) names of Shariah scholar members</u> <u>b) name(s) of Islamic expert member(s)</u> <p><u>2. We hereby furnish the following information/documents:</u></p> <ul style="list-style-type: none"> <u>a) An undertaking on a non-judicial stamp paper by the chief executive officer of the company that:</u> <ul style="list-style-type: none"> <u>(i) the information contained in this report and documents attached thereto is correct; and</u> <u>(ii) the [Name of Company] re-affirms its commitment to uphold the sanctity of Shariah principles and rules and adhere them in their true spirit.</u> <u>b) Particulars of each of the members of the Shariah supervisory board as per the format stipulated in Form I;</u> <u>c) Bank challan evidencing payment of non-refundable application fee as stipulated in Schedule I of the Regulations.</u> 	

#	Text of Existing Provisions	Proposed Changes	Rationale												
		<p><u>3. Scanned/electronic copies of the application and the required information/documents have also been provided through email at islamic.finance@secp.gov.pk</u></p> <p><u>Yours faithfully,</u></p> <p><u>Name and signature of authorized officer</u></p>													
16.	<p align="center">SCHEDULE I [See regulation 4, 8 and 9]</p> <p align="center">Amount of Fee pertaining to Shariah Compliance Certificates</p> <table border="1"> <thead> <tr> <th>Forms</th> <th>Subject of Application</th> <th>Amount in rupees</th> </tr> </thead> <tbody> <tr> <td>Form A</td> <td>Application for Grant of Shariah Compliance Certificate for a Shariah compliant company (Listed)</td> <td>50,000</td> </tr> </tbody> </table>	Forms	Subject of Application	Amount in rupees	Form A	Application for Grant of Shariah Compliance Certificate for a Shariah compliant company (Listed)	50,000	<p align="center">SCHEDULE I [See regulation 4, <u>6A, 8 and 9 and 13</u>]</p> <p align="center">Amount of Fee pertaining to Shariah Compliance Certificates</p> <table border="1"> <thead> <tr> <th>Forms</th> <th>Subject of Application</th> <th>Amount in rupees</th> </tr> </thead> <tbody> <tr> <td>Form A</td> <td>Application for Grant of Shariah Compliance Certificate <u>by a regulated person</u> for a Shariah compliant company (Listed)</td> <td>50,000</td> </tr> </tbody> </table>	Forms	Subject of Application	Amount in rupees	Form A	Application for Grant of Shariah Compliance Certificate <u>by a regulated person</u> for a Shariah compliant company (Listed)	50,000	Consequential changes
Forms	Subject of Application	Amount in rupees													
Form A	Application for Grant of Shariah Compliance Certificate for a Shariah compliant company (Listed)	50,000													
Forms	Subject of Application	Amount in rupees													
Form A	Application for Grant of Shariah Compliance Certificate <u>by a regulated person</u> for a Shariah compliant company (Listed)	50,000													

#	Text of Existing Provisions			Proposed Changes			Rationale
	Form A	Application for Grant of Shariah Compliance Certificate for a Shariah compliant company (Unlisted)	25,000	Form A	Application for Grant of Shariah Compliance Certificate <u>by a regulated person</u> for a Shariah compliant company (Unlisted)	25,000	
	Form C	Application by Issuer for Grant of Shariah Compliance Certificate for a Shariah Compliant Security (Listed)	50,000	<u>Form B1</u>	<u>Filing fee for reporting of declaration of company (other than regulated person) as Shariah compliant</u>	<u>25,000</u>	
	Form C	Application by Issuer for Grant of Shariah Compliance Certificate for a Shariah Compliant Security (Unlisted)	50,000	Form C	Application by Issuer for Grant of Shariah Compliance Certificate for a Shariah Compliant Security (Listed)	50,000	
	Form E	Filing fee for reporting of subsequent issuance of Shariah Compliant Security (Listed)	50,000	Form C	Application by Issuer for Grant of Shariah Compliance Certificate for a Shariah Compliant Security (Unlisted)	50,000	
	Form E	Filing fee for reporting of subsequent issuance of Shariah Compliant Security (Unlisted)	50,000	Form E	Filing fee for reporting of subsequent issuance of Shariah Compliant Security (Listed)	50,000	
	Form F	Application by persons other than issuer for Grant of Shariah Compliance	100,000				

#	Text of Existing Provisions			Proposed Changes			Rationale																		
		Certificate for a Shariah Compliant Security		Form E	Filing fee for reporting of subsequent issuance of Shariah Compliant Security (Unlisted)	50,000																			
				<u>Form E1</u>	<u>Filing fee for reporting of issuance of Islamic Collective Investment Scheme</u>	<u>50,000</u>																			
				Form F	Application by persons other than issuer for Grant of Shariah Compliance Certificate for a Shariah Compliant Security	100,000																			
17.	<p align="center">SCHEDULE II</p> <p align="center">[See regulation 16(1), 18(1) and 23(5)]</p> <p align="center">Amount of Fee pertaining to registration and renewal</p> <table border="1"> <thead> <tr> <th>Forms</th> <th>Particulars</th> <th>Amount in rupees</th> </tr> </thead> <tbody> <tr> <td>Form H</td> <td>Application for Registration</td> <td>25,000</td> </tr> <tr> <td>Form K</td> <td>Application for Renewal</td> <td>25,000</td> </tr> </tbody> </table>			Forms	Particulars	Amount in rupees	Form H	Application for Registration	25,000	Form K	Application for Renewal	25,000	<p align="center">SCHEDULE II</p> <p align="center">[See regulation <u>13(4)</u>, 16(1), 18(1) and 23(5)]</p> <p align="center">Amount of Fee pertaining to registration and renewal</p> <table border="1"> <thead> <tr> <th>Forms</th> <th>Particulars</th> <th>Amount in rupees</th> </tr> </thead> <tbody> <tr> <td>Form H</td> <td>Application for Registration</td> <td>25,000</td> </tr> <tr> <td>Form K</td> <td>Application for Renewal</td> <td>25,000</td> </tr> </tbody> </table>			Forms	Particulars	Amount in rupees	Form H	Application for Registration	25,000	Form K	Application for Renewal	25,000	Consequential changes
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#	Text of Existing Provisions			Proposed Changes			Rationale
	Form L	Annual reporting fee	10,000	Form L	Annual reporting fee	10,000	
				<u>Form M</u>	<u>Shariah Supervisory Board Reporting</u>	<u>25,000</u>	