



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*International Affairs, Communication & Coordination (IACC) Department*

**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

## **SECP approves Debt Securities Trustee regulations**

ISLAMABAD, July 20: As one of the major moves towards development of a vibrant corporate debt market in Pakistan, the SECP has approved the Debt Securities Trustee Regulations (DST Regulations). Its first draft has been notified in the official gazette to solicit public opinion as required under Sub-section (1) of Section 506 (A) of the 1984 Companies Ordinance. The approved draft is also available on the SECP website [www.secp.gov.pk](http://www.secp.gov.pk)

Most of the debt securities issued in Pakistan are privately placed and issued under Section 120 of the Ordinance. Under the said section a company may issue any instrument in the nature of redeemable capital to companies, banks, financial institutions and such other persons as notified there under, without seeking the SECP approval. However, the SECP approval is required in those cases where such securities are offered to the public.

There have been cases where Debt Securities Trustees have not actively discharged their obligations. Furthermore, the stock exchanges and the Mutual Fund Association of Pakistan (MUFAP) had also demanded regulating the DST affairs. .

The DST Regulations are aimed at safeguarding the interests of the debt securities holders; ensuring that provisions of the Trust Deeds executed between the issuers and the trustees are not breached; to monitor compliance by the issuers of the terms and conditions of the respective trust deeds; to monitor maintenance of the security, if any; to monitor the payment of profit/markup/interest to the holders and redemption of the securities; and to redress the complaints of debt securities holders. In various developed and emerging markets regulatory framework for regulating affairs of Debt Securities Trustees already exists as the Debt Securities Trustees play a pivotal role in safeguarding the interests of debt securities holders and thus in the development of the corporate debt market.

The key areas covered in the DST Regulations are the eligibility requirements for registration; seeking registration and renewal; duties and responsibilities of Debt Securities Trustees; maintenance of records and documents; suspension/cancellation of registration; compliance with the code of conduct; and list of minimum contents of the Trust Deed. Under the DST Regulations, registration has been made compulsory to act as trustee and only

scheduled banks, development finance institutions and investment finance companies can act as Debt Securities Trustees.

Public opinion/comments received on the draft will be considered by the SECP and then the final regulations will be notified.

Shakil Ahmad Chaudhary  
Head, Internal and External Communication  
Securities and Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue, Islamabad  
Tel: 921-4005 or 921-4009 ext. 378  
Fax: 920-6459  
Cell: 0302-855-2254  
email: [shakil.chaudhary@secp.gov.pk](mailto:shakil.chaudhary@secp.gov.pk)