



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Media and Corporate Communications Department

Reforms in regulatory framework of non-bank financial sector

ISLAMABAD, June 11: In order to facilitate the growth of the NBF sector, the SECP proposed substantial amendments to the 2003 Non-Banking Finance Companies (Establishment & Regulation) Rules. The objective of the proposed amendments was to provide a more conducive regulatory environment. The proposed amendments are expected to help in developing a robust NBF sector.

The federal government has granted its approval to the SECP to seek public comments on the proposed amendments, which have been published in the official gazette and placed on the SECP's website (www.secp.gov.pk).

These are the salient features of the proposed amendments:

1. Non-banking financial companies (NBFCs) have been categorized into three main types, i.e. lending NBFCs, fund management NBFCs and advisory NBFCs.
2. Contrary to the prevalent regime which only permits issuance of license to the companies initially incorporated as NBFCs, the companies which are not NBFCs, but fulfill the prescribed eligibility criteria have been allowed to obtain license for specific forms of businesses as NBFCs.
3. Asset management companies have been allowed to undertake other fund management activities such as REIT management services, management of private pool of funds, etc.s
4. The detailed eligibility criteria encompassing various aspects such as type of company, number of directors, rating requirements etc. have been specified for different forms of business.

Media and Corporate Communications Department

Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad – 44000 Pakistan
Direct # +92 051-9100432 Fax # +92 51 9206515 Cell: +92 300-9882237
Email: sajid.gondal@secp.gov.pk
www.secp.gov.pk