# Press Release

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***For immediate release***

## SECP amends Securities and Futures Advisers Regulations

ISLAMABAD, February 23: The Securities and Exchange Commission of Pakistan has introduced amendments to the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017, notified vide SRO No 253(I)/2018. The said notification and amended regulations are available on the SECP's website: www.secp.gov.pk

The amendments have been notified to make advisory regulatory regime more practicable and conducive. The mandatory advisory licensing requirement for securities brokers have been withdrawn.

The securities brokers have been allowed to provide securities advisory to their brokerage customers, being incidental to the conduct of their business without receiving any separate compensation thereof. Moreover, the securities brokers have also been allowed to distribute units of mutual funds and voluntary pension funds of multiple assets management companies (AMCs).

The advisory regime has been segregated into two segments, i.e. advisory with portfolio management to be governed under the non-bank finance companies (NBFC) regime whereas advisory with distribution of units of mutual funds and voluntary pension funds of multiple AMCs to be dealt under the amended Securities and Futures Advisers (Licensing and Operations) Regulations, 2017.

Considering the dynamics of local capital markets, the SECP has decided to grant licenses only to corporate entities for undertaking any regulated activity in the capital markets and not to any individuals.

In order to help broaden the investor base, banks have been allowed to distribute units of mutual funds and voluntary pension funds of multiple AMCs, subject to certain regulatory requirements. In order to facilitate the existing distributors, the deadline to obtain license has been extended to June 30, 2018.

The rationalized licensing regime for securities brokers coupled with the SECP's other measures would definitely contribute to reducing regulatory burden and cost of doing business for capital markets, ultimately promoting ease of doing business.