



PRESS RELEASE

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SECP removes regulatory impediments for futures brokers

ISLAMABAD, October 25: The Securities and Exchange Commission of Pakistan (SECP) has notified amendments in the Futures Brokers (Licensing & Operations) Regulations, 2018. The amendments have been introduced to bring business efficiency, remove regulatory impediments and create a more pro-growth regulatory regime for futures brokers.

Primary amendments include introduction of requirement to submit an undertaking at the time of renewal evidencing compliance with regulatory requirements instead of submitting detailed documents relating to education, financial standing, sponsors and directors, etc. SECP has eliminated the obligation to maintain net capital balance of Rs5million since risk is managed through cash margins in futures trading. Moreover, the sponsors are only required to submit a tax certificate from auditor as evidence of their net worth.

In addition, through amendments in regulations, the requirement for CEO to hold a postgraduate degree has been relaxed in lieu of possession of at least 7 years' senior management experience. A grace period of 30 days has been allowed to the broker to rectify non-compliance relating to financial resources requirement.

The notification and amended copy of the Regulations are available on SECP website, www.secp.gov.pk.