



SECP

SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN

Checklist for Formation (NOC) & Grant of License of Non-Banking Finance Company (NBFC) – Investment Advisory Services

Section I: Permission for Formation of an NBFC

This section outlines the step-by-step documentation and compliance requirements for obtaining permission and grant of license to form a Non-Banking Finance Company (NBFC) to undertake Investment Advisory Services:

CHECKLIST FOR PERMISSION

Sr.	Checklist Item	Submission (Yes/No/NA) Page no. of Application						
1	A person desirous of forming an NBFC to undertake Asset Management Services will reserve its name using the SECP eZfile portal.							
2	Applicant shall proceed with seeking a permission to form an NBFC to undertake Asset Management Services through application in Licensing Department.							
3	Application to be submitted in Form I of NBFC Rules, 2003 (Annexure A of this document).							
4	Original Challan evidencing payment of a non-refundable processing fee as per Schedule-I of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). <table border="1"> <thead> <tr> <th>S.no.</th><th>Subject of Application</th><th>Amount in Rs.</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Application for permission to form an NBFC</td><td>250,000</td></tr> </tbody> </table>	S.no.	Subject of Application	Amount in Rs.	1.	Application for permission to form an NBFC	250,000	
S.no.	Subject of Application	Amount in Rs.						
1.	Application for permission to form an NBFC	250,000						
5	Name Availability Letter with justification; the same name should appear on the fee challan.							
6	Draft of Memorandum of Association and Articles of Association (MoA and AoA).							
7	Affidavit regarding authenticity, correctness of the information and documents and fitness and propriety of the directors and the CEO submitted to the Commission (Annexure D of this document).							

8	Detailed Business Plan of the NBFC, including but not limited to: i. Cash flow projections for at least 3 years ii. Strategic forecasts, capital and manpower budgets, overhead budgets, and variance analyses.									
9	Net-worth certificate of each sponsor supported by duly authenticated copy of the latest wealth statement showing net-worth twice the amount to be subscribed, filed with the taxation department.									
10	In case of foreign sponsors or directors: i. If residing in countries where filing of wealth statement is not mandatory, documents attested by the Pakistan Embassy in the respective country are required. ii. Apostilled certificate of personal net-worth and general reputation issued by a bank of international repute and CIB, in countries that are members of the Hague Convention. iii. Copy of passport in case of a foreign national duly attested by the Pakistan Embassy in the respective country or apostilled in countries that are members of the Hague Convention.									
13	Composition of Board: i. NBFC can be incorporated as a private limited company with a minimum of two (2) Directors as well as a public limited company with a minimum of three (3) Directors. ii. Directors should have a minimum of five years of senior-level management or business experience iii. The Chief Executive Officer must have at least 7 to 10 years of senior management experience, preferably in the regulated financial services sector, and demonstrate capability to perform the responsibilities of the position. The work experience of the CEO to be provided in a tabulated form as follows: <table><tr><th>Sr.</th><th>Name of the Company where the proposed CEO has worked</th><th>Name of the position and Role of the proposed CEO on that position</th><th>Duration of position held</th></tr><tr><td></td><td></td><td></td><td></td></tr></table>	Sr.	Name of the Company where the proposed CEO has worked	Name of the position and Role of the proposed CEO on that position	Duration of position held					
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	iv. Complete board composition must be provided, clearly identifying executive, non executive, nominee, independent, and female directors. v. Number and names of Independent Directors must be listed to meet the requirement that one third of the board be independent as per Schedule I of NBFC Rules, 2003. vi. Ensure representation of at least one female director on the board.	
14	Documentary evidence supporting directors/CEO: i. Computerized National Identity Card (CNIC) copies of all directors, sponsors, and the CEO must be submitted. ii. Names, qualifications, and experience of CEO/Directors/Shareholders must be provided as per Schedule-I of NBFC Rules, 2003 and Fit & Proper Criteria (Schedule-IX of NBFC Regulations, 2008) – to be filled as per Annexure C of this document. iii. Documentary evidence of highest qualification and relevant work experience for all directors and the CEO. iv. All directors and the CEO must be active taxpayers v. If the name of a Director or CEO is not cleared by the Ministry of Interior (MoI), the proposed company must replace the individual and transfer any shares held by them. vi. NOC is required in case of government servants. If a public sector enterprise is involved, relevant authority or cabinet approval (provincial or federal) is required for board composition and business objectives. vii. Directors of an NBFC shall not serve as directors in any other company licensed or having similar line of business, to carry out comparable business activities in Pakistan. viii. The CEO of an NBFC seeking permission must not simultaneously serve as a CEO in any other company. ix. Registration certificate of Independent Director with the Pakistan Institute of Corporate Governance (PICG);	

Section II: Grant of License

After incorporation of the NBFC, the company must apply for a license to undertake Asset Management Services within six months from the date of Permission/NOC. This section details the comprehensive documentation and procedural requirements.

CHECKLIST FOR GRANT OF LICENSE

Sr.	Checklist Item	Submission (Yes/No/NA)						
1	Application to be made on Form II of NBFC Rules, 2003 (Annexure B of this document).							
2	Original Challan for payment of application fee as per Schedule–I of the NBFC Regulations, 2008. <table><tr><td>Sr. no.</td><td>Subject of Application</td><td>Amount in Rs.</td></tr><tr><td>1.</td><td>Application for license to undertake or carry out the activity of an NBFC</td><td>500,000</td></tr></table>	Sr. no.	Subject of Application	Amount in Rs.	1.	Application for license to undertake or carry out the activity of an NBFC	500,000	
Sr. no.	Subject of Application	Amount in Rs.						
1.	Application for license to undertake or carry out the activity of an NBFC	500,000						
3	Certified copy of the Memorandum of Association and Articles of Association.							
4	Auditor's certificate confirming that the company meets the paid-up capital/minimum equity requirements under NBFC Regulations, 2008. <table><tr><td>Form of Business</td><td>Minimum Equity Requirement (MER)</td></tr><tr><td>Asset Management Services</td><td>Rs. 200 million Rs. 50 million for Digital Asset Management Services</td></tr></table>	Form of Business	Minimum Equity Requirement (MER)	Asset Management Services	Rs. 200 million Rs. 50 million for Digital Asset Management Services			
Form of Business	Minimum Equity Requirement (MER)							
Asset Management Services	Rs. 200 million Rs. 50 million for Digital Asset Management Services							
5	Proceed Realization Certificate or bank statement confirming transfer of subscription money from subscribers' accounts into the company's account.							
6	Details of directors with relevant experience of the licensed activity as per Schedule-I of NBFC Rules, 2003: one director if there are three in total; two if more than three.							

7	Details of the person responsible for managing each licensed business form, other than the Chief Executive, if the company is engaged in multiple business forms.	
8	Undertaking by promoters/sponsors/major shareholders and directors that their shares are deposited in a CDC account marked as blocked and shall not be sold or transferred without SECP's approval.	
9	For foreign directors/CEO, license approval is subject to receipt of security clearance from the Ministry of Interior (MoI) (Format in Annexure E of this document) .	
10	Registration certificate of Independent Director with the Pakistan Institute of Corporate Governance (PICG).	
11	Undertaking by the company, its promoters, shareholders, CEO and directors to fully comply with the Ordinance, rules, regulations and SECP directions.	
12	Detailed Business Plan of the NBFC, including but not limited to: i. Cash flow projections for at least 3 years ii. Strategic forecasts, capital and manpower budgets, overhead budgets, and variance analyses.	
13	Company's business plan presentation to SECP (either via Zoom or in-person).	
14	Affidavit regarding authenticity, correctness of the information and documents and fitness and propriety of the directors and the CEO submitted to the Commission (Annexure D of this document) .	
15	NOC is required for any government servant involved; for public sector enterprises, relevant federal or provincial cabinet approvals are required for board composition and business objectives.	

Annexures

Annexure A – Form I

APPLICATION FOR PERMISSION TO FORM A NON-BANKING FINANCE COMPANY

Dated: _____

To,
The Securities and Exchange Commission of Pakistan, Islamabad.

Dear Sir,

We hereby apply for grant of permission under rule 4 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, to form a Non-Banking Finance Company under the name and style of * [Name of Company].

The information and documents as required in the Annexure to this form duly verified and signed by all promoters and proposed directors along with five spare copies of this application and an affidavit by them as to the correctness of the details is submitted.

We undertake to keep this information up to date by communicating changes or modifications therein within fourteen days of such changes or modifications.

A receipt of Rs. _____ being the processing fee, deposited in _____ on _____ is enclosed.

Yours faithfully,

[Signature]

[Verification by Oath Commissioner]

Annexure B – Form II

APPLICATION FOR OBTAINING LICENCE TO UNDERTAKE OR CARRY OUT [Type of Business] AS A NON-BANKING FINANCE COMPANY

Dated: _____

To,
The Securities and Exchange Commission of Pakistan, Islamabad.

Dear Sir,

We hereby apply for grant of license under rule 5 of the NBFC Rules, 2003, to undertake [Type of Business] as a Non-Banking Finance Company.

We furnish the following information:

- (a) Date of incorporation as a limited company;
- (b) Authorized, subscribed and paid-up share capital (with sponsors' equity separately mentioned);
- (c) Names and addresses of directors with shares held by each;
- (d) Directors' interest in other companies;
- (e) Details of controlling persons or groups;
- (f) Associated companies and undertakings;
- (g) Qualified staff details.

Receipt of Rs. _____ for processing fee is enclosed.

Yours faithfully,
[Signatures of all Directors]

Annexure C – as per Schedule IX of the NBFC Regulations, 2008

(a) Information to be provided by promoters, major shareholders (other than a body corporate)

1.	Curriculum Vitae/Resume containing:
A	Name: (former name if any):
B	Father's or Husband name:
C	C.N.I.C #/ Passport # (incase of foreign nationals) – (attach copy)
D	Latest photograph
E	Nationality:
F	Age:
G	Contact details: I. Residential address: II. Business address: III. Tel: IV. Mobile: V. Fax: VI. E-mail:
H	National tax number:
I	Present occupation:
J	Details of Academic and Professional Qualifications: (Attach Copy). Board of Directors of NBFC shall ensure verification of credentials and degrees of the Chief Executive)
k	Trainings
l	Experience: Position held during the last 10 years (along with name and address of company/ institution/ body where appointment held, nature of the company/ institution/ body and dates of appointment).
2	Status of directorship Shareholder ☐ Nominee ☐ Name of the Shareholders/ Group of shareholders he is representing Nature of Directorship Executive ☐ Non-Executive ☐ Independent ☐ Non-Independent ☐ Number of shares subscribed or held _____ [Personal net worth (copy of wealth statement for other than nominee directors of body corporate and independent directors)].
3	Names of companies, firms, sole proprietorship and other organizations of which the proposed person is a chief executive, director, partner, owner, office holder or major shareholder.
4	(1) CIB report issued by SBP for the companies, firms, sole proprietorships, etc, where the applicant is interested as director (sponsor or major stakeholder), chief executive, partner or owner (attach original CIB reports)
	(2) An undertaking providing details of the following: I. Any write off availed from any financial institution during the last five years. II. Any default of finance, obtained from any financial institution during the last five years. III. Placement on ECL during the last five years IV. Any conviction from any Court of Law or any plea bargain with NAB during the last ten years. V. Any write off or default by any related or affiliated person or by any company on whom the applicant or anyone closely related to him had an interest as sponsor, major stakeholder, director, chief executive, key executive, etc. during the last five years VI. [The person and the companies, firms, sole proprietorship etc. where the person is a chief executive, director (other than nominee director), owner or partner etc. has no overdue payment of any financial institution]
5	In the case of appointment of directors, the date of the board of directors' meeting in which the appointment of proposed director was appointed. (Attach copy of the minute of the meeting of the board of directors. If the director is elected, the attach copy of the minute of the general meeting of the company.)

Proposed Director and proposed CEO:

1.	Personal and Professional Details:
A	Name: (former name if any):
B	C.N.I.C #/ Passport # (in case of foreign nationals) – (attach copy)
C	Contact details: I. Address: II. Mobile: III. E-mail:
D	Present occupation:
E	Details of Academic and Professional Qualifications: Board of Directors of NBFC engaged in respective form of business shall ensure verification of credentials and degrees of the Chief Executive
F	Training
G	Experience and other Directorships: Position and other Directorships held during the last ten years (along with name and address of company/ institution/ body where appointment/directorship held, nature of the company/ institution/ body and dates of appointment/directorship.)
2	Status of directorship Shareholder ☐ Nominee ☐ Name of the Shareholders/ Group of shareholders he is representing Nature of Directorship Executive ☐ Non-Executive ☐ Independent ☐ Non-Independent ☐
I	Present occupation:
J	Details of Academic and Professional Qualifications: (Attach Copy). Board of Directors of NBFC shall ensure verification of credentials and degrees of the Chief Executive)
k	Trainings
l	Experience: Position held during the last 10 years (along with name and address of company/ institution/ body where appointment held, nature of the company/ institution/ body and dates of appointment).
2	Status of directorship Shareholder ☐ Nominee ☐ Name of the Shareholders/ Group of shareholders he is representing Nature of Directorship Executive ☐ Non-Executive ☐ Independent ☐ Non-Independent ☐ Number of shares subscribed or held _____ [Personal net worth (copy of wealth statement for other than nominee directors of body corporate and independent directors)].
3	In the case of appointment of directors, the date of the board of directors' meeting in which the appointment of proposed director was appointed. (Attach copy of the minute of the meeting of the board of directors. If the director is elected, the attach copy of the minute of the general meeting of the company.)
4	Names of the persons on the NBFC subject to Fit and Proper criteria who are related to the applicant.

(b) Information to be provided by a body corporate as promoters and major shareholders

1. Financial statements for the last three years;
2. Physical Address of business places;
3. Shareholding details including details of ultimate beneficial owners: Explanation. – For the purpose of this clause, the term "ultimate beneficial owner" shall have the similar meaning as defined under 123A (Explanation) of the Companies Act, 2017.
4. Any substantial adverse verdicts against the Company from any Court of Law during the last ten years
5. Details of associated companies and subsidiaries;
6. Details of any inquiry, investigation conducted by any other regulatory or professional body or government agency during the last five years; and
7. Any other information as may be required by the Commission.

Annexure D

Affidavit

Before the Securities and Exchange Commission of Pakistan

(On Stamp Paper of Appropriate Value)

I, _____ son/daughter/wife of _____ adult, resident of _____ and holding CNIC/ Passport No. _____ do hereby state on solemn affirmation as under:-

1. That I am eligible for the position of _____ according to the Fit and Proper Criteria for the position of _____, annexed to the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
2. That I hereby confirm that the statements made, undertakings provided and the information given by me including that required under Schedule IX is correct and that there are no facts which have been concealed;
3. That I have no objection if the Securities and Exchange Commission of Pakistan requests or obtains information about me from any third party;
4. That I undertake to bring to the attention of the Securities Exchange Commission of Pakistan any matter which may potentially affect my status for the position of _____ as per the Fit and Proper Criteria annexed to the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
5. That all the documents provided to Securities Exchange Commission of Pakistan are true copies of the originals and I have compared the copies with their respective originals and certify them to be true copies thereof;
6. That I have not availed any write off from any financial institution during the last five years;
7. That I have not defaulted against any Finance obtained from any financial institution during the last five years;
8. That I have not been placed on Exit Control List (ECL) during the last five years;
9. That I have not been convicted from any Court of Law or any plea bargain with National Accountability Bureau (NAB) during the last ten years;
10. I hereby confirm that the companies, firms, sole proprietorship etc. where I am a chief executive, director (other than nominee director), major shareholder, owner or partner etc. has no overdue loan payment and instalment outstanding towards banks or other financial institutions;
11. I have not been associated with any illegal banking business, deposit taking or financial dealings;
12. Neither I nor companies in which I am a director or major shareholder has defaulted in paying taxes as on the date of application;

13. I have not been a sponsor, director or chief executive of a defaulting cooperative finance society or finance company;
14. I have never been convicted of fraud or breach of trust or of an offence involving moral turpitude or removed from service for misconduct;
15. I have neither been adjudged an insolvent nor has defaulted in making payments, to my creditors;
16. My net-worth is not less than twice the amount to be subscribed by me personally (not applicable to a nominee director);
17. I do solemnly declare that no investigations have been initiated against me by any Law Enforcement Agencies.

DEPONENT

The Deponent is identified by me

Signature_____

ADVOCATE

(Name and Seal)

Solemnly affirmed before me on this day of _____ by the Deponent above named who is identified to me by , Advocate, who is known to me personally.

Signature_____

OATH COMMISSIONER
FOR TAKING AFFIDAVIT

Annexure E

Proforma – GR CHECK/ SECURITY CLEARANCE

1. **Full Name** _____
2. **Sex (Male/Female)** _____
3. **Date of Birth: DD-MM-YYYY** _____
4. **Father's/Husband's Name:** _____
5. **Profession/Designation:** _____
6. **Country/City:** _____
7. **Passport No. :** _____
8. **Nationality:** _____
9. **Temporary Address Abroad:** _____

10. **Permanent Address Abroad:** _____

11. **Tel No.** _____ **Office:** _____ **Cell:** _____
12. **E-mail Address:** _____
13. **Firm Address Abroad:** _____

14. **Firm Tel No. :** _____ **E-mail Address:** _____
15. **Purpose of GR Check** _____
16. **Any Other Specific Information** _____



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