



SECP

SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN

Grant and Renewal of license: Underwriter

Grant of License

Following persons are eligible to obtain license/permission as underwriter;

1. it is a scheduled bank,
2. a development financial institution, or
3. an Asset Management Company on behalf of Mutual Funds under its management compliant with non-banking finance companies framework
4. a Modaraba Management Company on behalf of its Modaraba or a licensed securities broker both having minimum net worth of Rs. 100 million
5. Trading and Self-Clearing category licensed securities broker with a minimum Broker rating subject to the condition that the amount to be underwritten shall not exceed three times of net worth of such securities broker.

This section outlines the step-by-step documentation and compliance requirements for obtaining the license/permission as Underwriter under Public Offering (Regulated Securities Activities Licensing) Regulations, 2017 (the "Regulations")

CHECKLIST FOR GRANT OF LICENSE (LICENSE IS VALID FOR ONE YEAR)

| Sr. | Checklist Item | Submission (Yes/No/NA) | | | | | | |
|---------|--|------------------------|------------------------|---------------|----|---|---------|--|
| 1. | Application to be made on Form A of the PROSAL Regulations (Annexure A of this document) | | | | | | | |
| 2. | Original Challan for payment of application fee as per Schedule-II of the Public Offering (Regulated Securities Activities Licensing) Regulations, 2017. <table border="1"> <thead> <tr> <th>Sr. no.</th><th>Subject of Application</th><th>Amount in Rs.</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Application for license to undertake or carry out the activity of Underwriter</td><td>250,000</td></tr> </tbody> </table> | Sr. no. | Subject of Application | Amount in Rs. | 1. | Application for license to undertake or carry out the activity of Underwriter | 250,000 | |
| Sr. no. | Subject of Application | Amount in Rs. | | | | | | |
| 1. | Application for license to undertake or carry out the activity of Underwriter | 250,000 | | | | | | |
| 3. | Certified copy of the Memorandum of Association with enabling clause to act as underwriter. | | | | | | | |
| 4. | Undertaking from the Applicant that it is compliant with all the regulatory requirements of these regulations <ul style="list-style-type: none"> Issued on the name of the declarant Properly witnessed with submission of the CNIC's of the witnesses Duly stamped by oath Commissioner | | | | | | | |
| 5. | Latest Entity Rating from a Licensed CRC | | | | | | | |
| 6. | Latest Audited Accounts Filed with relevant CRO | | | | | | | |
| 7. | ATL of FBR status of sponsors / board of directors / dedicated compliance officer | | | | | | | |
| 8. | Latest Form 9 and Form A | | | | | | | |
| 9. | CV of the person, other than the Chief Executive, at senior level who has at least five years' experience in the area of corporate finance or issue and offer of securities to the public or underwriting or accountancy or law or merger, acquisitions and reconstruction or any other relevant financial market experience. OR CV of a CEO who has above experience | | | | | | | |

| 10. | Compliance with General and Specific Conditions as per Schedule I of the Regulations | | | | | | | | | | |
|---|--|---------------|------------------------|---------------|----|---|---------|----|---|---------|--|
| Specific Requirements | | | | | | | | | | | |
| A. Securities Broker (Trading and Self Clearing Category)/Asset Management/Modaraba Management Company | | | | | | | | | | | |
| i. | Latest Entity Rating from a Licensed CRC | | | | | | | | | | |
| ii. | CTC of latest Form 29 and Form A | | | | | | | | | | |
| iii. | Evidence of AML Filing (Quarterly+ Annual) and Filing of STBR on BLASRS portal | | | | | | | | | | |
| iv. | NOC of the Board of Directors from PSX | | | | | | | | | | |
| v. | Licensed Securities Broker having minimum net-worth of Rs.100 million | | | | | | | | | | |
| vi. | Approval Letter of the Board of Directors from the concerned Department of NBFC Sector (For Asset Management Company) | | | | | | | | | | |
| vii. | Approval Letter of the Board of Directors from the concerned Department of Modaraba Sector (Modaraba Management Company) | | | | | | | | | | |
| viii. | Modaraba Management Company having minimum net-worth of Rs.100 million | | | | | | | | | | |
| B. Development Financial Institutions or a Scheduled Bank | | | | | | | | | | | |
| i. | Exempted from the Licensing Requirements under Regulation 12 of the regulations | | | | | | | | | | |
| ii. | Apply to obtain Prior Permission of the Commission | | | | | | | | | | |
| iii. | Board Resolution to undertake underwriting business | | | | | | | | | | |
| iv. | Original Challan for payment of application fee as per Schedule–II of the Public Offering (Regulated Securities Activities Licensing) Regulations, 2017. | | | | | | | | | | |
| | <table> <tr> <th>Sr. no.</th><th>Subject of Application</th><th>Amount in Rs.</th></tr> <tr> <td>1.</td><td>Application by Development Financial Institutions only for Permission to under undertake or carry out the activity of Underwriter</td><td>500,000</td></tr> <tr> <td>2.</td><td>Application for license to undertake in case of Schedule Bank</td><td>250,000</td></tr> </table> | Sr. no. | Subject of Application | Amount in Rs. | 1. | Application by Development Financial Institutions only for Permission to under undertake or carry out the activity of Underwriter | 500,000 | 2. | Application for license to undertake in case of Schedule Bank | 250,000 | |
| Sr. no. | Subject of Application | Amount in Rs. | | | | | | | | | |
| 1. | Application by Development Financial Institutions only for Permission to under undertake or carry out the activity of Underwriter | 500,000 | | | | | | | | | |
| 2. | Application for license to undertake in case of Schedule Bank | 250,000 | | | | | | | | | |

Renewal of license/permission as Underwriter

This section outlines the step-by-step documentation and compliance requirements for renewal of the license/permission as Underwriter under Public Offering (Regulated Securities Activities Licensing) Regulations, 2017 (the "Regulations")

Checklist for Renewal of License/permission as underwriter

| Sr. | Checklist Item | | | Submission (Yes/No/NA) |
|---|---|--|---------------|---------------------------|
| A. Renewal of License of Securities Broker (Trading and Self Clearing Category) | | | | |
| 1. | Application to be made on Form C of the PROSAL Regulations (Annexure B of this document) | | | |
| 2. | undertaking from the Applicant that it is compliant with all the regulatory requirements of these regulations <ul style="list-style-type: none">Issued on the name of the declarantProperly witnessed with submission of the CNIC's of the witnessesDuly stamped by oath Commissioner | | | |
| 3. | latest Credit Rating from a credit rating company duly licensed by the Commission | | | |
| 4. | CTC of latest Form 29 and Form A Evidence of AML Filing (Quarterly+ Annual) and Filing of STBR on BLASRS portal | | | |
| 5. | ATL of FBR status of sponsors / board of directors / dedicated compliance officer | | | |
| 6. | Latest Audited Accounts Filed with relevant CRO | | | |
| 7. | NOC of the Board of Directors from PSX | | | |
| 8. | Compliance with General and Specific Conditions as per Schedule I of the Regulations | | | |
| 9. | Details of activities performed during last one year | | | |
| B. Renewal of Permission for DFIs | | | | |
| i. | within one month of the end of each calendar year, every development financial institution engaged in the business of underwriting shall submit an affidavit that it is compliant with all the requirements of these Regulations. | | | |
| ii. | Sr. no. | Subject of Application | Amount in Rs. | |
| | | Application for permission to continue carry out the activity of Underwriter | 100,000 | |
| C. Renewal of Permission for Banks | | | | |
| i. | Submission of affidavit by commercial banks that it is compliant with all the requirements of these Regulations in following manner; | | | |
| ii. | In case a scheduled bank already licensed as an underwriter, it shall submit the affidavit one month prior to expiry of existing license | | | |
| iii. | In case a scheduled bank granted permission under Regulation 12(2) of the Regulations, it shall submit an affidavit within one month of the end of each calendar year. | | | |

FORM A

Application for License/Permission as underwriter under the PUBLIC OFFERING (REGULATED SECURITIES ACTIVITIES LICENSING) REGULATIONS, 2017.

To
The Securities and Exchange Commission of Pakistan
(Full Address of SECP)

Pursuant to the decision of the board of directors (BOD) of[name of applicant] taken in its meeting held on[date of meeting]....., we hereby apply for license as _____* under regulation 5 of the Public Offering (Regulated Securities Activities Licensing) Regulations, 2017. (the Regulations) read with section 68 of the Securities Act, 2015. The requisite information and documents mentioned at Annexure I of the Regulations are attached herewith.

Date: _____
Signature: _____
Place: _____

Name and designation of the chief executive, the company secretary or the chief financial officer duly authorized by the BoD through a resolution to sign and submit application for registration as _____*.

*** Name of the regulated securities activity**

Annexure B

FORM-C (Other than Banks and DFIs)
Application for Renewal of license as underwriter under the
PUBLIC OFFERING (REGULATED SECURITIES ACTIVITIES
LICENSING) REGULATIONS, 2017

To,
The Securities and Exchange Commission of Pakistan
Pursuant to the decision of the Board of Directors of [Name of the Applicant]..... taken in its meeting held on[Date of Meeting]....., we hereby apply for renewal of licence as an _____* under sub-regulation (1) of regulation 7 of the Public Offering (Regulated Securities Activities Licensing) Regulations, 2017.

Date: _____

Signature: _____

Place: _____

Name and designation of the chief executive, the company secretary or the chief financial officer duly authorized by the BoD through a resolution to sign and submit application for registration as _____*.

* *Name of regulated securities activity*



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