

Comments on Draft Amendments to Licensing Regulations

Sr.	Regulation	Feedback	SECP Comments
Securities Exchanges (Licensing and Operations) Regulations			
1.	<p>In regulation 5, the following new clause shall be inserted before clause (a), namely, -</p> <p>(aa) at any given point of time, a director of the securities exchange, other than its chief executive officer, shall not be nominated on more than one board of other self-regulatory organizations, namely a central depository, clearing house or a futures exchange;”</p>	<p>In the light of the Commission’s direction dated June 08, 2018, which has restricted nomination of the Exchange’s independent directors on the boards of its associated/other companies (which is still not made part of aforesaid clause (aa); we understand that only the CEO, the shareholder directors and the SMOs of the Exchange including other market experts, are eligible to be nominated on the SROs.</p> <p>We are of the view that there should not be any restriction of the nomination of the Exchange’s independent directors on the board of its associated/other companies.</p> <p>Similarly, the Exchange should not be restricted to nominate one director on the boards of more than one SROs.</p> <p>Indeed, this should be left on the discretion of the Exchange. The Board of the Exchange may decide accordingly from time to time.</p>	<p>The change has been proposed to promote more diversity and dedicated and meaningful contribution on the boards of capital market infrastructure institutions.</p> <p>The restriction is in line with the fit and proper criteria provided in the regulations.</p>
		<p>The proposed addition in regulation clearly reflects the intent of the legislature to achieve the following three objectives:</p> <ol style="list-style-type: none"> 1. Chief Executive Officer of a securities exchange can represent on the Board of investee company; 2. Restricting Elected Director’s nomination to the Board of only one investee company; and 3. Promote role of Independent Directors to represent securities exchange in the investee company. <p>This proposed addition in regulation 5 whereby representation of a securities exchange through its chief executive to protect investments of a securities exchange is basically putting an embargo on shareholders of a securities exchange to protect its investment.</p>	<p>The change has been proposed to promote more diversity and dedicated and meaningful contribution on the boards of capital market infrastructure institutions which will ultimately be beneficial for the shareholders of securities exchange also.</p> <p>Further, the proposed regulation is not in any way curbing participation of shareholder directors on investee companies. It only limits the number of boards an individual can be on for reasons stated hereinabove.</p> <p>Further, the proposed regulations do not restrict the number of directors to</p>

	<p>The intent of the legislation through proposed addition is to restrict the Elected Directors, being nominated on Board of one or more of the investee company investee Company has its own independent directors. This under any circumstances should not be done as Investee Company has its own independent directors on its Board and moreover it would be a clear conflict of interest on the part of independent Directors.</p> <p>Corporate law around the world do not allow infringement of shareholder's right and it is prerogative of the Board of Directors to take conscious decision to protect shareholders' interest and safeguard the assets of the Company. How can a regulator enter in the restricted domain of shareholders?</p> <p>Chief Executive Officer (CEO) is a highest paid, contractual, executive position, who is accountable to the Board of Directors on the performance of the Company for which he is hired. It would be unjustified if he is also required to sit and involve in the Board of investee Companies which is operated by a full time CEO of its own.</p> <p>Nomination, amongst the Board of Directors to represent on the Board of the investee company, is basically to protect and safeguard the interest of shareholders and being stakeholders themselves, this is their right. Furthermore, elected shareholder directors, being representatives of shareholders, are therefore accountable to them.</p> <p>All listed companies should protect its assets and for that purposes Companies Act, 2017 through its various provisions, have given this responsibility to the directors, being representative of shareholders. It is the fiduciary responsibility of a director to protect assets of a company.</p> <p>This proposal might attract different Sections of Companies Act, including but not limited to Section 165, 169, 204 etc.</p> <p>Based on the foregoing, it is requested to delete the proposed Regulation in its entirety as it is merely restricting Elected Directors and promoting Independent Directors.</p>	<p>be nominated by securities exchange on the boards of investee companies. The securities exchange would continue to have its representation on the boards of these companies. Hence, the argument that independent directors are being promoted through the proposed regulations does not hold.</p> <p>Accordingly, the securities exchange retains the discretion to nominate suitable persons on the boards of investee companies to protect and safeguard the interest of its shareholders and the subject amendments only ensure more diversity in the nominees of securities exchange.</p> <p>Moreover, it is clarified that the regulations do not in any way make it mandatory for the CEO of a securities exchange to be nominated as director of investee companies. The proposed regulations only limit the number of directorships for directors of securities exchange, other than CEO, which essentially means that the limit is not applicable on the CEO or any other person that the securities exchange intends to nominate.</p>
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		<p>The proposed addition in regulation clearly reflects the intent of the legislature to achieve the following three objectives:</p> <ul style="list-style-type: none"> i) Chief Executive Officer of a securities exchange can represent on the Board of investee company; ii) Restricting Elected Director's nomination to the Board of only one investee company; and iii) Promote role of Independent Directors to represent securities exchange in the investee company. <p>Firstly, representation on Board of an associated company cannot and should not be laid down as a pre-condition to obtain license.</p> <p>Board of a securities exchange should be empowered to take its own conscious decisions as to whom it think more appropriate to be nominated as director on the Board of an associated company.</p> <p>Secondly, this proposed addition in regulation 5 whereby representation of a securities exchange through its chief executive to protect investments of a securities exchange is basically putting an embargo on shareholders of a securities exchange to protect its investment.</p> <p>The intent of the legislation through proposed addition is to restrict the Elected Directors, being nominated on Board of one or more of the investee company</p>	

		<p>is basically paving way for the promotion of independent directors. This, under any circumstances cannot be acceptable as we have not witnessed any material performance of independent directors and particularly where investee Company has its own independent directors on its Board.</p> <p>Corporate law around the world do not allow infringement of shareholder's right and it is prerogative of the Board of Directors to take conscious decision to protect shareholders' interest and safeguard the assets of the Company. How can a regulator enter in the restricted domain of shareholders?</p> <p>Chief Executive Officer (CEO) is a highest paid, contractual, executive position, who is accountable to the Board of Directors on the performance of the Company for which he is hired. It would be unjustified if he is also required to sit and involve in the Board of investee company which is operated by a full time CEO of its own.</p> <p>Nomination, amongst the Board of Directors to represent on the Board of the investee company, is basically to protect and safeguard the interest of shareholders and being stakeholders themselves, this is their right. Furthermore, elected shareholder directors, being representatives of shareholders, are therefore accountable to them.</p> <p>All listed companies should protect its assets and for that purposes Companies Act, 2017 through its various provisions, have given this responsibility to the directors, being representative of shareholders. It is the fiduciary responsibility of a director to protect assets of a company.</p> <p>This proposal might attract different Sections of Companies Act, including but not limited to Section 165, 169, 204 etc. Based on the foregoing, it is requested to delete the proposed Regulation in its entirety as it is merely restricting Elected Directors and promoting Independent Directors.</p>	
2.	In regulation 9, sub-regulation (2), the	Please note that under Regulation 12(3), the RAC is required to have at least three (03) independent directors (and a shareholder director).	Comment noted and requisite changes will be made in the subject regulation.

	<p>words “than one third of its total” shall be substituted in place of the words “than the shareholder”.</p>	<p>Therefore, we are of the view that the Regulation 9(2) should be re-worded to give the effect that the independent directors should not be less than one-third of its total directors or three (03), whichever is higher. This is essential to harmonise such regulation with Regulation 12(3), as in case the total size of the board of securities exchange is seven (7) directors, and board opts for the appointment of 2 independent directors as allowed under the Listed Companies (Code of Corporate Governance) Regulations, 2019, then the Exchange would not be able to meet the requirement of Regulation 12(3). Alternatively, Regulation 12(3) can be re-worded to have RAC with a majority of independent directors (who may be less than 3) and one shareholder director.</p>	
		<p>Indeed, a positive step and not only in line with the shareholders demand but also Listed Companies Code of Corporate Governance.</p> <p>Through this proposed reduction in number of independent directors, legislature has recognised the importance of the role of Elected Directors. On the one hand the number of Independent Directors is being reduced and on the other hand their role in the investee company is proposed to be increased (Please refer our comments, 1st and 5th paragraph under 3 above. This dual standard should be avoided.</p>	<p>Refer to comments above</p>
		<p>This is indeed a positive step and not only in line with the shareholders demand but also Listed Companies Code of Corporate Governance. On various occasions, it was raised by this association including but not limited to our letter PSA-S/01/01/18 dated January 04, 2018 and thereafter it was also raised at the time of election of Board of Directors of PSX.</p> <p>Through this proposed reduction in number of independent directors legislature has recognised the importance of the role of Elected Directors. On the one hand the number of Independent Directors is being reduced and on the other hand their role in the investee company is proposed to be increased (Please refer our comments, 1st and 5th paragraph under 3 above. This dual standard should be avoided.</p> <p>Though it is never too late, but it is requested that this proposed regulation should be applicable with immediate effect. Presently, PSX</p>	<p>The change has been proposed to promote more diversity and dedicated and meaningful contribution on the boards of capital market infrastructure institutions.</p>

		has 14 members Board with equal number of elected and independent directors. Therefore, keeping the Board number fixed and in view of this proposal of 1/3rd, there will be 03 casual vacancies from which atleast 02 seats be allocated at the nomination of the PSX Stockbrokers Association. This will bring in more value to the Board and will certainly help in developing the institution.	The board will be re-constituted from next board elections to ensure consistency with other applicable legal requirements including the Companies Act, 2017.
3.	In regulation 9, sub-regulation (3) clause (a), after the words “for appointment as independent directors”	It would be much better if role of Commission be reduced to minimal.	Guidelines are prescribed to ensure effectiveness in the process of appointment of independent directors and coherent and objective criteria is in place to attract the right talent.
	the following words shall be inserted, “in accordance with the guidelines issued by the Commission”.	It would be much better if role of Commission be reduced to minimal and this appointment be based on designation rather than personalities. Seat may be allocated to any person, of nothing less than the designation of last served President / Vice President, by whatever name called, of OICCI, PBC, ICAP, IBA, PTBA, ICMAP, FPPCI etc. Please acknowledge and appreciate that the above proposal as to the selection of independent directors is based on designation rather than personalities and will once for all end speculations	Guidelines are prescribed to ensure effectiveness in the process of appointment of independent directors and coherent and objective criteria is in place to attract the right talent.
4.	In regulation 9, sub-regulation (4), the following proviso shall be inserted, namely, - “Provided that this condition shall not be applicable in the case of first meeting of the board of directors after the election of directors in which the names of the independent directors are to be	In this regard, the Commission had previously directed PSX to ensure that the retiring independent directors should be part of the meeting of newly elected shareholder directors, to be held immediately after their election, for the nomination of new independent directors. We understand that after the implementation of this revision, the presence of retiring independent directors would not be required for the appointment of new independent directors. We are of the view that the exemption of quorum should be available until the independent directors formally join the board, as there may be a possibility that a Board meeting would be required for an urgent matter before the conclusion of the appointment process of independent directors. In addition, the proviso may also mention that before the formal appointment of independent directors, the chairman may be appointed by the Exchange from amongst other non-executive directors (i.e. shareholder	The proposed change is only to facilitate and remove the complication in the process of appointment of independent directors. For all other meetings, the presence of independent directors is essential to constitute a quorum.

	finalized for submission to Commission as per sub-regulation 9(3).”	directors) for such interim period, as Section 192 of the Companies Act, 2017 requires the Exchange (being a listed company) to appoint its chairman within 14 days of the election of the Directors and Regulation 9(5) requires the chairman to be an independent director.	
5.	In regulation 9, the following new sub-regulation (9) shall be inserted after sub-regulation (8), namely, - “(9) The securities exchange shall obtain clearance from the Commission on the fit and propriety of the directors prior to their appointment or election, as the case may be, on the board of directors of the securities exchange and shall submit confirmation that it has evaluated the persons against the fit and proper criteria as provided under these regulations and has no adverse findings therein.”	<p>In this regard, it is pertinent to mention here that since, PSX has a limitation as to the evaluation of the overdue history of the persons subject to fit & proper criteria (as required under clause (a)(iii) of Annexure I of the Regulations), as it does not have access to eCIB system of SBP. Therefore, the confirmation in this respect would still be sought from SECP, as per past practice.</p> <p>Moreover, due to stringent timelines for the process of election of directors as specified under Section 159 of the Companies Act, 2017, prior clearance of SECP on the contesting candidates will be required well in time, enabling the Exchange to ensure timely compliance with applicable requirements.</p>	<p>SECP will facilitate in obtaining CIB as per existing practice.</p> <p>This will be ensured through effective coordination with SROs.</p>
		There is no need for amendment as the Company Secretary of the exchange follows the guidelines of the SECP for the fit and proper criteria of the Directors who wish to contest the election.	All directors are subject to compliance with the Fit and Proper criteria as per the licensing regulations. The SROs ensure that only those persons which are eligible and comply with the fit and proper contest the election of directors. SECP clearance in this regard will make the process more effective. Effective coordination will be ensured with SROs to complete the process in a timely manner.
		Please replace word propriety with "proper criteria	Existing wording is correct.
6.	12(1) A securities exchange shall, with approval of Its board of directors, constitute a regulatory affairs	We understand that the proposed amendments under Regulation 12(1) as to the constitution of RAC, is to exclude the nominee directors of Commission, as it became obsolete, after reconstitution of the board of the Exchange.	Understanding is correct.

	committee comprising of at least 3 independent directors and one shareholder director which may also include directors nominated by the Commission.	We are of the view that the similar amendment should be made under Regulation 9, whereby the sub-regulation 8 (as to the reconstitution of the board within a period of 6 months from the date of sale of up to 40% of its shares lying in the blocked account under the Demutualization Act) should be deleted, as the entire process has now been completed.	Comment noted. However, does not pertain to the subject matter or scope of proposed amendments.
7.	In regulation 12, sub-regulation (1) shall be substituted with the following, namely, - "(1) A securities exchange shall, with approval of its board of directors, constitute a regulatory affairs committee comprising of at least 3 independent directors and one shareholder director	It is recommended that the proposed regulatory affairs committee shall have representation from stock brokers and therefore two nominees from the association may be made mandatory.	The RAC is responsible for overseeing the regulatory function of the PSX and is the most critical component of arrangements for ensuring segregation between commercial and regulatory functions. Accordingly, it comprises of majority independent directors. 1 shareholder director is allowed keeping in view the proposed change in the number of independent directors.
8.	The regulation 12, sub-regulation (2), clause (k) shall be omitted. <i>11(2) The regulatory affairs committee shall be</i>	It should not be deleted as being a self-regulatory organisation the right of appeal to the aggrieved party is always part of the law.	The right of appeal is not being deleted and will be covered in the PSX Rule Book. The proposed change only seeks to remove this function from the responsibilities of RAC and bring efficiency in the regulatory function. PSX board has also recently approved amendments in Rule Book where

	<i>responsible for the following functions,-</i>		alternate appellate forum is to be established.
	<i>(k) conduct hearings of any appeals against enforcement actions/ arbitration awards of the regulatory affairs division;</i>	It should not be deleted as being a self-regulatory organization the right of appeal to aggrieved party in always part of the law	As above
9.	In Annexure I, section (b), the following new proviso shall be inserted after the new first proviso, namely, - “Provided further that the securities exchange shall not appoint or retain any person as senior management officer who is above sixty years of age.”	We are of the view that there should be no restriction under the Regulations, on maximum age for the Senior Management Officers (SMOs) including the Chief Executive Officer (CEO) of the Securities Exchange (together with SMOs of other SROs). It should be left at the discretion of the organization itself, to be determined as part of its HR policy. Upon evaluation of the Fit & Proper Criteria(s) specified under the Regulation(s) governing other various special purpose entities in the financial sector (such as Non-Banking Finance Companies, Mutual Funds, Insurance Companies and Modarbas), we did not find any restriction on maximum age for the CEOs and the Key Executives of such entities. Even for Banking Companies, the Fit and Proper Test (FPT) Criteria issued by the State Bank of Pakistan (SBP), does not impose any restriction as to the age of the Key Executives; however, for the CEO/President of the Bank, the maximum age limit has been specified to be 70 years. Hence, we may consider it a benchmark. In view of the above, the Commission may, if it deems appropriate, remove the proviso(s) related to the age restrictions on the SMOs of the SROs; or otherwise, streamline the same with the FPT Criteria of the SBP applicable on the Banking Companies.	Comment agreed.
10.	General Comments	1. The Regulations need to be harmonised with newly promulgated laws (i.e. the Companies Act, 2017 and the Futures Market Act, 2016) and the references of repealed Companies Ordinance, 1984 and the Securities and	Does not pertain to proposed amendments.

		<p>Exchange Ordinance, 1969, as appearing under Regulation 2, 9, 14, 16 and Annexures to the Regulations, should be updated.</p> <p>2. It is recommended that there should be legal and financial indemnity available to the individual conducting as CRO-PSX + his functioning team and to members of RAC for actions [clause 12(K)] taken by them in good faith/intent in the licensing regulations or PSX regulations, as it is seen that position of CRO is responsible for multiple tasks which are mentioned in clause 11(3) of the Regulations considering, there is also substantial financial penalty which can be imposed on CRO in a personal capacity by SECP under Securities Act up-to Rs.100 million.</p>	
Central Depositories (Licensing and Operations) Regulations			
1.	<p>In regulation 9, the following new sub-regulation (8) shall be inserted after sub-regulation (7), namely, -</p> <p>“(8) The central depository shall obtain clearance from the Commission on the fit and propriety of the directors prior to their appointment or election, as the case may be, on the board of directors of the central depository and shall submit confirmation that it has evaluated the persons against the fit and proper criteria as provided under these regulations and</p>	<p>Prior approval of the Commission on the fit and propriety of the Elected Directors will affect the shareholder's right to nominate the suitable candidate (who submits the Affidavit confirming his/ her eligibility as per the Licensing Regulations).</p> <p>Moreover, in case the name of contested director is not approved by the Commission, shareholder will be required to nominate other person in his/ her place (which also requires approval of the Commission). This nomination will contradict with the requirement laid down under Section 154(3) of the Companies Act, 2017 which requires to give intention to contest election at least 14 days before the meeting.</p> <p>Requirement to give confirmation to the Commission by central depository that proposed Director meets the Fit and proper criteria and have no adverse findings will be practically not possible in the absence of various information/ documents from independent sources. Few of the examples are:</p> <p>Non-availability of information related to:</p> <p>adjudged insolvency</p> <ul style="list-style-type: none"> • Conviction by court of competent jurisdiction as defaulter in payment of any loan to financial institution • Clean CIB report (Due to non-access to CIB report) 	<p>All directors are subject to compliance with the Fit and Proper criteria as per the licensing regulations. The SROs ensure that only those persons which are eligible and comply with the fit and proper contest the election of directors. SECP clearance in this regard will make the process more effective. Effective coordination will be ensured with SROs to complete the process in a timely manner.</p> <p>There is no change in the Affidavit and SROs shall provide confirmation on the basis of affidavit and information available with them.</p>

	<p>has no adverse findings therein.”</p>	<ul style="list-style-type: none"> • Default in payment of Government duties/ taxes/ cess or has misused customer/ investor assets. • Pending proceedings w.r.t. winding-up, insolvency and analogous relief. • Involvement in criminal offences <p>Therefore, considering the above situations, Central Depository may not be able to give confirmation that no adverse finding has been identified by therein. We suggest current practice of obtaining Affidavit from the propose director, who undertakes to be the Fit and Proper under the regulatory</p>	
2.	<p>In Annexure I, section (b), the first proviso shall be deleted and substituted with the following new first proviso, namely, -</p> <p>“Provided that if a central depository appoints or retains any person as senior management officer who was in the service of a TRE certificate holder or an associated company of such TRE certificate holder during the last three years, reasons for such appointment shall be recorded in</p>	<p>The appointment of any person as senior management officer who was in the service of a TRE certificate holder or an associated company of such TRE certificate holder shall be subject to cooling period of 3 — 6 months.</p>	<p>Entry level cooling off period is generally not applicable in the industry as the same may discourage attracting suitable talent in the SROs.</p>

	writing by the central depository.”		
Clearing Houses (Licensing and Operations) Regulations, 2016			
1.	<p>In regulation 9(3)(a) following underlined insertion was made:</p> <p>A clearing house shall maintain a panel of fit and proper persons suitable for appointment as independent directors <u>in accordance with the guidelines issued by the Commission;</u></p>	<p>NCCPL Board has already constituted a Panel for appointment of independent directors on its Board. The Board, in order to include suitable persons in the Panel, had identified requisite skill sets and prescribed qualification and experience standards for each skill set.</p> <p>The Board has assumed that certain guidelines with respect to appointment of independent directors will be issued which shall be incorporated in the criteria for inclusion of persons in the said Panel.</p> <p>The Board has suggested that SECP may consider constitution of a joint Panel of three SROs (PSX, CDC and NCCPL) to propose names for appointment of independent directors on respective boards of SROs.</p>	<p>The Regulations do not bar the SROs to have a joint panel, hence the same is not required to be incorporated in the Regulations.</p>
2.	<p>In regulation 9, the following new sub-regulation (8) shall be inserted:</p> <p>(8) The clearing house shall obtain clearance from the Commission on the fit and propriety of the directors prior to their appointment or election, as the case may be, on the board of directors of the</p>	<p>The Board has assumed that institutional shareholders have full discretion to nominate their representatives on the Board meeting the fit and proper criteria prescribed under the Regulations. The same shall be verified by the Clearing House and clarification from SECP will be obtained. However, if clearance from SECP is not provided, the course of action for clearing house has not been prescribed. Further, it may delay the election process where a nominated person is not cleared by SECP and he/she takes up the matter with SECP. With respect to requirement of confirmation to SECP that the representative meets the Fit & Proper Criteria, it may please be noted that certain information is only based on affidavit submitted by the nominated person since the said information cannot be verified from documents or independent sources. Few of the examples pertaining to non-availability of information includes:</p> <p>Adjudged insolvency</p>	<p>All directors are subject to compliance with the Fit and Proper criteria as per the licensing regulations. The SROs ensure that only those persons which are eligible and comply with the fit and proper contest the election of directors. SECP clearance in this regard will make the process more effective. Effective coordination will be ensured with SROs to complete the process in a timely manner.</p> <p>There is no change in the Affidavit and SROs shall continue to evaluate candidates against the fit and proper</p>

	clearing house and shall submit confirmation that it has evaluated the persons against the fit and proper criteria as provided under these regulations and has no adverse findings therein.	Conviction by court of competent jurisdiction as defaulter in payment of any loan to financial institution. Clean CIB report (Due to non-access to CIB report). Default in payment of Government duties/ taxes/cess or has misused customer/ investor assets. Pending proceedings w.r.t. winding-up, insolvency and analogous relief. Involvement in criminal offences.	criteria on the basis of affidavit and information/ record available with them and provide confirmation accordingly.
Futures Exchanges (Licensing and Operations) Regulations			
1.	Section (b) of the Annexure I of the Futures Exchanges (Licensing and Operations) Regulations, 2017	<p>No comments on the proposed amendments in principle. However, from drafting point of view, due to deletion of clauses from (iii) to (viii), all provisos will also be deleted and, therefore, cannot be replaced as envisaged in the proposed amendments. Accordingly, the amended section (b) of the Annexure I of the Futures Exchanges (Licensing and Operations) Regulations, 2017 is suggested to be given below:</p> <p>(b) Educational Qualification and Experience</p> <p>(i) In case of director, the person should:</p> <p>(a) be a member of a recognized body of professional accountants or possess a postgraduate degree in finance, accountancy, law, business management, commerce, economics, capital market, information technology and financial services or related disciplines from a university recognized by the Higher Education Commission of Pakistan, or equivalent; and</p> <p>(b) have a management or business experience including directorships, of at least seven years at a senior level preferably in the regulated financial services sector and other fields such as law, information technology etc.</p>	The proposed change is not required based on changes carried out in the regulations as agreed above.

		<p>Provided that where a person possesses more than 15 years of experience and knowledge of the capital markets, clearing houses, central depositories, commodities market, or in the areas relating to finance, corporate governance, audit, information technology etc. the minimum qualification requirement may be relaxed on case to case basis by the futures exchange, with prior approval of the Commission.</p> <p>(ii) In case of chief executive officer, the person should:</p> <p>(a) be a member of a recognized body of professional accountants or possess a postgraduate degree in finance, accountancy, business management, commerce, economics, capital market and financial services or other related disciplines from a university recognized by the Higher Education Commission of Pakistan, or equivalent; and</p> <p>(b) have a minimum experience of seven years in a senior level managerial position at a securities or futures exchange or has served at a senior management position preferably as chief executive officer for a period of five years in any other company of substantial size in the regulated financial services sector; and</p> <p>(c) have demonstrated, through his qualification and experience, the capacity to successfully undertake the cognate responsibilities of the position.</p> <p>(iii) Any other senior management officer must be a qualified professional possessing relevant experience and degree relating to the job/assignment and must have demonstrated, through his qualification and experience, the capacity to successfully undertake the cognate responsibilities of the position.”</p> <p>(iv) If a futures exchange appoints or retains any person as senior management officer who was in the service of a TRE</p>	
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