



MEMORANDUM OF UNDERSTANDING

on

Information Sharing and Coordination

between

FEDERAL BOARD OF REVENUE

and

**SECURITIES AND EXCHANGE COMMISSION OF
PAKISTAN**

Dated:- March 15, 2012

1. PARTIES

This **MEMORANDUM OF UNDERSTANDING** ("MOU") is agreed on between the Securities and Exchange Commission of Pakistan ("the SECP") and the Federal Board of Revenue (the "FBR").

1.1 WHEREAS:

- (i) the FBR is responsible for formulation and administration of fiscal policies, levy and collection of federal taxes.
- (ii) the SECP is responsible for the beneficial regulation of the Capital Markets, superintendence of corporate entities including the Non-Banking Finance companies and the insurance companies.

1.2 NOW THEREFORE, the SECP and the FBR, recognize the need for cooperation and coordination to effectively carry out their respective statutory responsibilities and maintain the highest level of oversight quality, while minimizing duplication of efforts. Accordingly, the SECP and FBR are entering into this Memorandum of Understanding to establish a framework for collaboration, coordination and sharing of information in areas of common regulatory and supervisory interest for furtherance of objectives of SECP and FBR.

2. Definitions

For the purposes of this Memorandum of Understanding:

- 2.1. "**Board**" means the Federal Board of Revenue;
- 2.2. "**Commission**" means the Securities and Exchange Commission of Pakistan;
- 2.3. "**Party**" means the Commission or the Board, as the case may be;
- 2.4. "**Parties**" means the Commission and the Board, jointly referred;
- 2.5. "**Providing Party**" means the party which provides information to the Requesting Party under this MOU;
- 2.6. "**Requesting Party**" means the party making a request for information pursuant to this MOU;

3. General Provisions

- 3.1 The MOU is primarily a statement of intent to collaborate, cooperate, and share information in connection with areas of common regulatory and supervisory interest in a manner consistent with, and permitted by, the laws and requirements that govern the Parties.



- 3.2 It is anticipated that cooperation will include sharing of information, consultations on matters of common regulatory and supervisory interest, periodic meetings, written requests as needed, and other practical arrangements as may be developed by the Parties.
- 3.3 This MOU does not create legally binding obligations on either of the Parties and does not create any right enforceable against the Parties or any of their officers or employees or any other person. The MOU also does not confer upon any third-party the right or ability directly or indirectly to obtain, suppress, or exclude any information, or to challenge the execution of a request under the MOU.
- 3.4 Nothing in this MOU modifies in any way the ability and responsibility of the Parties to enforce their respective statutes, rules and regulations.
- 3.5 Nothing in this MOU shall be deemed to obligate the Parties to create or maintain any information.
- 3.6 The parties may consult and revise the terms of this Memorandum of Understanding in the event of a substantial change in laws, practices, market or business conditions affecting the operation of this Memorandum of Understanding.

4. Information to be Shared

For the purposes of this MOU:

- 4.1 Without limiting the scope of possible coordination, to the extent practicable and as appropriate under the relevant law and in the particular circumstances, each Party intends to provide, upon request, the following public or non-public information:
- (a) Periodic corporate or tax returns/ reports/data submitted and filed, with the Parties;
 - (b) Details of corporate information about the companies and individuals registered or licensed with/by the Commission;
 - (c) Details of information about corporate and non-corporate entities and individual available with the Board;
 - (d) Such information as may be required to set or meet supervisory and regulatory requirements, guidelines or rules for appropriate supervision of the entities under the regulatory ambit of each party;

5. Execution of Requests for information

- 5.1 A request for information should be made in writing, and addressed to the relevant contact person in Appendix A. A request generally should specify the following:
- (a) The information sought by the Requesting Party, preferably at the format given (where necessary);



- (b) A general description of the purpose for which the information is sought; and
 - (c) The desired time period for reply and, where appropriate, the urgency thereof.
- 5.2 Prior to making a request, the Requesting Party should use reasonable efforts, consistent with the urgency of the request, to obtain through other means any of the information that is publicly and readily available.
- 5.3 Notwithstanding the above, the Parties understand that publicly available information may be requested under this MOU, and Parties intend to assist each other to obtain such publicly available information expeditiously.

6. Confidentiality of Information

- 6.1 To the extent permitted by applicable laws and in accordance with the regulations of the Providing Party, the Parties will establish and maintain such safeguards as are necessary and appropriate to maintain the confidentiality of all non-public information obtained under this MOU.
- 6.2 The Receiving Party will not furnish to any third party or make public any portions of the information or make public use of the non-public information obtained under this MOU without prior written approval by the Providing Party;

7. Coordination on Regulatory Policy Changes

- 7.1 Each Party will inform the other about any major relevant legal and policy changes and will discuss with the other in advance on any policy changes which are likely to have a bearing on the industry, product or regulatory responsibilities of the other.
- 7.2 Parties will do their utmost efforts to ensure they have unanimity of views on major relevant policy issues concerning the sectors/areas under their respective jurisdictions while making any representation to the Government.
- 7.3 Parties will hold consultation on fiscal policy measures and proposals pertaining to Non Banking Financial sector (NBFC, Insurance, and capital markets) and corporate sector with the view to encourage documentation of economy, promotion of long term saving culture and corporatization.

8. Coordination

Parties will coordinate with each other to facilitate usage of resources/infrastructure to promote the objective of documentation and transparency through corporatization.

9. Establishment of Forum for Periodic Coordination Meetings

Representatives from both the Parties will meet regularly on quarterly basis (or any other period mutually agreed upon) to coordinate efforts through this platform to undertake policy dialogue for achieving uniformity in regulatory approach for sectors under their respective purview and achieving the purposes of this MOU.



10. Denial of Requests for Information

Requests for information under this MOU may be denied:

- 10.1 when the request is not made in accordance with the provisions of this MOU; or
- 10.2 where compliance with a request for information would prejudice an ongoing investigation.

11. Effective date and termination

- 11.1 The MOU becomes effective on the day it is signed by the Parties and will continue to be in effect until the expiry of thirty (30) days after either Party gives written notice to the other Party of its intention to terminate.
- 11.2 The MOU will continue to have effect with respect to all requests for assistance that were made before the effective date of termination. In case the MOU is terminated, all the information provided under this MOU will remain confidential and will be treated according to the provisions of this MOU.
- 11.3 In the event that any dispute arises between the Parties concerning the interpretation of this MOU or any matter arising under it, the Parties shall endeavor to amicably resolve such differences within thirty (30) working days of the dispute arising.

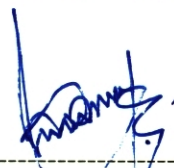
Signed on this 15th day of March 2012, between the Federal Board of Revenue and the Securities and Exchange Commission of Pakistan

For and on behalf of the
Federal Board of Revenue



Mumtaz Haider Rizvi
Chairman

For and on behalf of the
**Securities and Exchange
Commission of Pakistan**



Muhammad Ali
Chairman

APPENDIX A

The Requested Party's contact officers pursuant to paragraph 5.1 of this Memorandum of Understanding are:

For the Federal Board of Revenue

Dr. Muhammad Iqbal

Chief Income Tax Policy
Federal Board of Revenue
Constitution Avenue, G-5, Islamabad – 44000, PAKISTAN
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