

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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NOTIFICATION

Islamabad, the 27th January, 2021

S.R.O. 107 (I)/2021.- The following draft amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008, proposed to be made by the Securities and Exchange Commission of Pakistan, in exercise of the powers conferred by sub-section (2) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984) are hereby published for information of all persons likely to be affected thereby and notice is hereby given that comments, if any, received within fourteen days of the date of this notification will be taken into consideration, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations, -

- (1) in regulation (38), in sub-regulation (2), after clause (a), the following new clause shall be inserted, namely: -

“(ab) have a Board’s approved policy and mechanism in place for an effective implementation of codified processes to ensure that the sales force is trained, regularly reminded and held accountable for undertaking meaningful and accurate analysis at the time of every new investment and its roll-over to establish and document product suitability in light of the investment objectives and risk tolerance of every individual investor, and put in place a mechanism for regular review and reporting of such review to a management or Board Committee, on quarterly basis.”;

- (2) in Schedule IX, under the heading “ASSESSMENT OF FITNESS AND PROPRIETY”, -

- (a) in clause (a), -

- (i) in sub-clause (iv), for the semi colon at the end a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that in case of non-executive nominee directors representing institutional interest and who otherwise do not have any personal interest, the Commission may, after seeking explanation, if satisfied, for reasons to be recorded in writing, relax this requirement on case to case basis subject to such conditions as it may deem fit.”;

- (ii) for sub-clause (vi), the following shall be substituted, namely: -

“(vi) has entered into a plea bargain arrangement with the National Accountability Bureau (NAB) or against whom reference has been filed in court by NAB.”;

(iii) sub-clause (viii), shall be omitted; and

(b) in clause (c), -


(i) in sub-clause (i), for the proviso, the following shall be substituted, namely: -

“Provided that this condition shall not apply in case of sponsor directors, however, conditions mentioned in Schedule I of the NBFC Rules, 2003 shall apply.”; and

(ii) after sub-clause (iv), the following new sub-clause shall be inserted, namely: -

“(iva) The Commission may conduct an interview of the chief executive to assess his/her suitability for the position.”.

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(Bilal Rasul)
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