

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

-:-:-

Islamabad the 3rd June, 2020

NOTIFICATION

S.R.O. 510 (I)/2020.- The following draft amendments to the Shariah Governance Regulations, 2018 proposed to be made by the Securities and Exchange Commission of Pakistan, in exercise of the powers conferred by section 512 read with section 451 of Companies Act 2017 (XIX of 2017), are hereby published, for information of all the persons likely to be affected thereby and notice is hereby given that suggestions or objections, if any, received within a period of fourteen days from the date of its publication in the official Gazette, shall be taken into consideration by the Securities and Exchange Commission of Pakistan, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations,-

- (1) In regulation 11, in sub-regulation (b), the following shall be substituted, namely:-
Shariah screening criteria as notified by the PSX and duly approved by Oversight Committee.
- (2) In regulation 12, the following shall be substituted, namely:-

An Oversight Committee to conduct Shariah screening process: (1) There shall be an oversight Committee comprising of the following members to oversee and establish the Shariah screening criteria.

- (a) Chairman Shariah Advisory Committee, SECP – as Head
- (b) a representative of PSX;
- (c) a representative of KMI;
- (d) a representative of MUFAP.

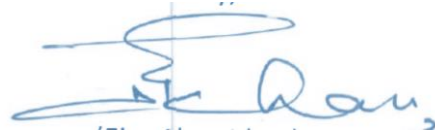
(2) The Oversight Committee shall conduct the Shariah screening for listed companies on the basis of criteria notified by PSX as per regulation 11 for the purpose of a Shariah index.

(3) The Oversight Committee shall review the Shariah compliance of companies and securities on a bi-annual basis.

(4) The Oversight Committee shall exclude a company or security from the index as and when it becomes Shariah non-compliant.

(5) To facilitate Oversight Committee and develop Islamic capital market products, PSX shall establish a dedicated *Shariah* department and appoint at least one independent *Shariah* Advisor.

[File No. SY/SECP/8/13]



(Ejaz Alam Khan)
Secretary to the Commission