

GOVERNMENT OF PAKISTAN
Securities and Exchange Commission of Pakistan

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Islamabad, the 21st December, 2017

NOTIFICATION

S.R.O. 1279 (I)/2017.- In exercise of the powers conferred by sub-section (2) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984), the Securities and Exchange Commission of Pakistan hereby makes the following amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the same having been previously published in the official Gazette vide S.R.O. 1170(I)/2017, dated November 8, 2017 namely:-

In the aforesaid Regulations,-

- (1) in regulation (37), in sub-regulation (7), in clause (h), proviso shall be substituted, namely:-

“Provided that this restriction shall not apply to transactions relating to money market instruments or debt securities or Margin Trading System (MTS) or ready future spread transactions where transactions are carried out with minimum two brokers or any other instrument/transaction as may be specified by the Commission through circular;”;

- (2) in regulation (38), in sub-regulation (2), for clause (s) the following shall be substituted, namely:-

“(s) send an investment account statement to each unit or certificate holder on the registered postal address provided by the unit or certificate holder at least once in a year:

Provided that an Asset Management Company may send account statement at the registered email address of the unit or certificate holder only after obtaining consent in writing from the unit or certificate holder for sending electronic account statement:

Provided further that an Asset Management Company shall provide the account statement to the investors with seven working days from the receipt of such request;”;

- (3) in regulation (58), in sub-regulation (1),-

(a) in clause (j), for the “Explanation” the following shall be substituted, namely:-

“Explanation,- Reverse repo transactions involving Government Securities or other debt securities stated as authorized investments in the Offering Document under an agreement and spread transaction through ready buy and future sale or future buy ready sale transaction to unwind the existing spread transaction or MTS or replacement thereof which are protected by the clearing company shall not be attracted by clause (j) provided risk management parameters are disclosed in the offering document of the scheme;”; and

(b) for clause (k), the following shall be substituted, namely:-

“(k) borrow in any form, except with the approval of trustee, for meeting redemption request and such borrowing shall not exceed fifteen per cent or such other limit as specified by the Commission of the total net asset value of an Open End Scheme at the time of borrowing. The maximum period of borrowing shall be 90 days and any net cash flows during interim period shall be utilized for repaying of borrowing:

Provided that an Asset Management Company during the interim period may invest net cash flows for right issues or may invest during the interim period if there is no option in borrowing agreement for early repayment of borrowing;”;

(4) in regulation (60), in sub-regulation (5), in clause (c) for semi colon at the end, a colon shall be substituted and thereafter the following proviso shall be inserted, namely:-

“Provided that in addition to the above prescribed limit Income and Aggressive Income Schemes which invest in Margin Trading System (MTS) and/or ready future spread transaction, may charge additional MTS and/or ready future spread transaction related expenses upto 0.5% of Net assets to the Scheme;”;

(5) in Schedule V, in clause (10), after sub-clause (v), the following shall be inserted namely:-

“(vi) in case of Government Securities i.e. PIB, GoP Ijara Sukuks, TBills or any other securities, the detail shall include the date of issue and tenure.”;

(6) in Schedule IX, in Annexure-A, in clause (a), in sub clause (1), for paragraph

(i) the following shall be substituted, namely:-

“i. Details of Academic and Professional Qualifications: (Attach Copy). Board of Directors of NBFC shall ensure verification of

credentials and degrees of the Chief Executive”;

- (7) in Schedule IX, in Annexure-A, in clause (a), in sub clause (1), in paragraph (K), the words “In case of CEO, verification of antecedents from all the previous employers” shall be omitted; and
- (8) in Schedule IX, in Annexure-A, in clause (a), in sub clause (2), for the words “Personal net worth (copy of wealth statement)” the words “Personal net worth (copy of wealth statement for other than nominee directors of body corporate and independent directors)” shall be substituted.

No. SCD/NBFC/NBFCR/2017-



(Aamir Ali Khan)
Executive Director (CS)