

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 27th July, 2020

NOTIFICATION

S.R.O. 647 (I)/2020.- The following draft amendments to the Securities and Futures Advisers (Licensing and Operations) Regulations, 2017, proposed to be made by the Securities and Exchange Commission of Pakistan, in exercise of powers conferred by section 169 of the Securities Act, 2015 (III of 2015) and section 114 of the Futures Market Act, 2016 (XIV of 2016), are hereby published for the information of all persons likely to be affected thereby and, as required by subsection (4) of the said section 169 and subsection (4) of the said section 114, notice is hereby given that objections or suggestions thereon, if any, may be sent to the Commission within fourteen days of placement of draft amendments on the website of the Commission, namely:-

In the aforesaid Regulations,-

(1) In regulation 4,-

(a) in sub-regulation (1), in clause (c), for the colon (:), at the end, the expression “; or” shall be substituted and thereafter following new clause shall be inserted, namely:-

“(d) An individual having relevant mandatory certifications from the Institute of Financial Markets as specified by the Commission and meeting fit and proper criteria given at **Annexure A.**”

(b) in sub-regulation (2), in clause (g), after the first proviso at the end, following new proviso shall be inserted, namely:-

“Provided further, that in case of an individual, the conditions referred in sub-regulation (2) above, shall not be applicable except clause (a), (f) and (g).”

(2) In regulation 6, in first paragraph, after the words “in case of a company” the text “and Rs. 500,000 in case of an individual” shall be inserted;

(3) In Annexure A,-

(a) in second paragraph, under the heading “Application and Scope” after the word “future adviser” appearing for the first time, the text “, in case if it is a company,” shall be inserted;

(b) under the heading “Financial Soundness and Integrity” after clause (iv), following new clause shall be inserted, namely;

“(v) In case the Applicant is an individual then his/her name shall be appearing on Active Tax payer list (ATL) of Federal Board of Revenue.”

- (c) under the heading “Educational or other Qualification or Experience”,-
- (i) in clause (1), before the words “its chief executive officer” the expression “the securities advisor, or where applicable,” shall be inserted;
 - (ii) in clause (1), in sub clause (b), , for the word “five” the word “three” shall be substituted;
 - (iii) in clause (1), in sub clause (c), after the words “specified by the Commission” the expression “in case of individual, and in case of a company” shall be inserted;
 - (iv) in clause (2), before the words “its chief executive officer” the expression “the futures advisor, or where applicable,” shall be inserted;
 - (v) in clause (2), in sub clause (b), for the word “five” the word “three” shall be substituted’
 - (vi) in clause (2), in sub clause (c), after the words “specified by the Commission” the words “in case of individual, and in case of a company” shall be inserted;
 - (vii) In clause (2), after sub clause (c), following new proviso shall be inserted, namely:

“Provided that for all of the above persons at b(1) and b(2), where a person is a graduate and possesses five (5) years of experience specified for any category above, the minimum qualification requirement for such category shall be relaxed.”
 - (viii) in clause (3), after the words “multiple AMCs” the words “such person himself/herself or in case of a company” shall be inserted;
 - (ix) In clause (3), for sub clause (b), following shall be substituted :

“The person is a graduate and has a minimum experience of three years of giving investment advice in financial products/securities/funds/insurance policies, asset or portfolio management, or advisory/distribution of units of CIS/VPF units, or related experience in the capital market or the financial sector;
 - (x) in clause (3), in sub clause (c), after the words “specified by the Commission” the expression “in case of individual, and in case of a company” shall be inserted;

- (xi) in clause (3), after sub clause (c), the first proviso shall be deleted;
- (d) under the heading "Integrity, Honesty and Reputation" in clause (viii), for the words "Companies Ordinance, 1984" the words "Companies Act, 2017"; shall be substituted
- (4) in Affidavit A, attached to Annexure A, in clause 1, after the word "I am eligible for" the expression "the license of securities advisor, or" shall be inserted.
- (5) in Annexure B, in clause 1, in sub-clause 1.7, after the word "applicant" the expression "duly submitted with the Federal Board of Revenue" shall be inserted.

[File No. 2(33)PMEX/SMD/2016]



(Bilal Rasul)

Secretary to the Commission