

**Government of Pakistan**  
**Securities and Exchange Commission of Pakistan**

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*Islamabad, the 7<sup>th</sup> November, 2017*

**NOTIFICATION**

**S. R. O.1168 (I)/2017.**- In exercise of the powers conferred by sub-section (1) of section 169 of the Securities Act, 2015 (III of 2015), the Securities and Exchange Commission of Pakistan hereby makes the following amendments in the Securities Brokers (Licensing and Operations) Regulations, 2016, the same having been previously published in the official Gazette vide S.R.O. 903(I)/2017 dated September 6, 2017 and also placed on its website as required under sub-section (4) of section 169 of the said Act, namely:-

In the aforesaid Regulations,-

(1) In regulation 35,-

(a) for sub-regulation (5), the following shall be substituted, namely:-

“(5) The audit report shall state all the matters as are required to be stated in accordance with the requirements of the Companies Act, 2017 (XIX of 2017) and where applicable, must state, additionally, whether in the opinion of the auditor the securities broker was in compliance with the requirements of section 78 of the Act and the relevant requirement of these regulations at the date on which the balance sheet was prepared.”; and

(b) after sub-regulation (5), substituted as aforesaid the following new sub-regulation (5A) shall be inserted namely:-

“(5A) The auditor shall also make out a limited assurance report to the members of the securities broker in accordance with the format approved by the Commission, stating whether, during the period, the securities broker has, in all material respects-

(a) maintained systems and controls adequate to enable the auditor to identify with reasonable accuracy the assets held on behalf of customer and distinguish such assets from the proprietary assets of the securities broker;

- (b) implemented an adequate internal control system and compliance function commensurate with the size and nature of services performed by the securities broker; and
- (c) established a compliance function which performed its functions with efficiency during the period.”

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[No.SY/SECP/8/13]

  
( Bilal Rasul )  
Secretary to the Commission