

PART II

Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 11th January, 2017.

S.R.O. 16(I)/2017.— In exercise of powers conferred by sub-section (1) of section 169 read with sections 63, 64, 65, 68 and 69 of the Securities Act, 2015, (Act No. III of 2015), the Securities and Exchange Commission of Pakistan is please to make the following Regulations, the same having been previously published in the official Gazette vide notification No. S.R.O. 588(1)/2016, dated June 30, 2016, as required by sub-section (4) of the said section 169, namely:-

CHAPTER I

PRELIMINARY

1. Short title and commencement.— (1) These Regulations shall be called the Share Registrars and Balloters Regulations, 2017.

(2) They shall come into force on the date of commencement of part V of the Act.

(3) They shall apply to all the Share Registrars and Balloters.

2. Definitions.— (1) In these Regulations, unless there is anything repugnant in the subject or context, –

(a) “Act” means the Securities Act, 2015 (Act No III of 2015);

(b) “Commission” means the Securities and Exchange Commission of Pakistan established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);

(c) “Issue” includes issue of securities through-

- (i) public offering by an issuer;
 - (ii) an offer of securities for sale to the general public by an offeror;
 - (iii) an offer of securities to the existing members by a company or a body corporate;
and
 - (iv) an offer of securities by a company or body corporate to persons other than the existing members;
- (d) “Ordinance” means the Companies Ordinance, 1984 (XLVII of 1984);
- (e) “Share Registrar and Balloting Services” means the services to be provided by a share registrar and balloter to its customers including but not limited to -
- (i) collection of securities subscription applications and data from the bankers to the issue and other intermediaries;
 - (ii) compilation of the applicants data and conducting balloting, where required;
 - (iii) preparation of allotment register, lists of successful, unsuccessful and rejected applications;
 - (iv) preparation of the list of members and keep it updated;
 - (v) distribution of right and bonus shares; dividend and profit; notices etc. to the members;
 - (vi) resolution of investors’ complaints; and
 - (vii) transfer and transmission of securities.
- (f) “Share Registrar and Balloter” means a person licensed by the Commission to perform any or all of the functions provided under these regulations.

(2) Words and expressions used but not defined in these regulations shall have the same meaning as assigned to them in the Act, the Ordinance and the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).

CHAPTER II

LICENSING REQUIREMENTS

3. Prohibition.— No person shall act or perform the functions of a share registrar and balloter unless such person is licensed as a share registrar and balloter by the Commission under these regulations:

Provided that a person registered as a share registrar and balloter under the Balloters and Transfer Agents Rules, 2015, prior to coming into force of these regulations, shall be deemed to be licensed as a share registrar and balloter under the Act and these Regulations till the time its existing certificate of registration remains valid. The share registrar and balloter shall obtain license under the Act and these Regulations upon expiry of its certificate of registrations granted under the Balloters and Transfer Agents Rules, 2015.

Provided further that existing share registrar and balloter shall comply with the requirements of these regulations within a period of one year from the date of coming into force of these regulations.

4. Eligibility criteria for License.— Any person may apply to the Commission for grant of license under these regulations, if such person fulfills the following conditions:

- (a) it is a public limited or private limited company;
- (b) it is authorized by its memorandum of association to act as a share registrar and balloter;
- (c) it has a minimum paid-up capital of three million rupees:

Provided that the persons who are registered under the Balloters and Transfer Agents Rules, 2015 shall enhance, if required, their paid up capital to three million rupees by June 30, 2018; and

- (d) its chief executive or any of its executive directors,
 - (i) possesses membership of any recognized professional accounting body; the institute of corporate secretaries of Pakistan or holds bachelor degree preferably in law, business administration, public administration, commerce, economics, statistics, mathematics or

information technology from a university or institute recognized by the Higher Education Commission of Pakistan (HEC) or a foreign degree recognized by HEC as equivalent to bachelor degree; and

(ii) has minimum three years' experience at senior management level; and

(e) its chief executive and directors fulfil the fit and proper criteria specified in **Annexure-I** of these regulations.

5. Application and procedure for granting of license.— (1) Application for license as a share registrar and balloter shall be made to the Commission on **Form A** along with the documents specified in **Annexure-II** and receipt evidencing payment of non-refundable fee of fifty thousand rupees.

(2) The Commission, while considering the application for grant of license, may require the applicant to furnish such further information or clarification regarding its activities and businesses as it deems appropriate.

(3) Any subsequent change in the information provided to the Commission at the time of filing of application under sub-regulation (1) shall be intimated to the Commission within five working days from the date of such change.

(4) The applicant shall, if so required, by the Commission, appear before the Commission for personal representation through an officer duly authorized for this purpose in writing by the board of directors of the applicant.

6. Grant of license.— (1) The Commission, while considering the application made under regulation 5(1), shall beside the requirements mentioned under sub-section (2) of section 69 of the Act inter-alia take into account the following matters, namely:-

(a) that the applicant meets requirements of the Act, these regulations and any general or particular directions earlier given by the Commission;

(b) that the applicant has the ability to efficiently handle its functions as a share registrar and balloter and honor its obligations in accordance with the Act and these regulations;

- (c) that the applicant has the necessary infrastructure including but not limited to adequate office space, equipment, experienced and skilled manpower having the skill of conducting balloting; allotment of securities; maintaining members' register; credit and dispatch of securities; distribution of dividends, notices and reports among the members; handling of investors' complaints and record keeping;
- (d) earlier refusal, if any, by the Commission for grant of license under these regulations;
- (e) conviction or involvement of the applicant, its sponsors, directors, chief executive in an offence involving fraud or breach of trust;
- (f) any pending penal action against the applicant, its sponsors, directors or chief executive for an offence under the Act, the Ordinance or the Securities and Exchange Commission of Pakistan Act, 1997;
- (g) applicant's track record as a share registrar and balloter, if any;
- (h) an overdue or defaults, irrespective of the amount appearing in the reports of the Credit Information Bureau of the State Bank of Pakistan of the following:
 - (i) the applicant, its sponsors, chief executive, directors, associated companies and associated undertakings; and
 - (ii) the companies, firms, sole proprietorship where the chief executive, directors and sponsors of the applicant are chief executive, directors (other than nominee director) or sponsors; and
- (i) any other matter as deemed necessary by the Commission.

(2) The Commission, if deems necessary, may seek additional information about the applicant from other agencies and regulatory bodies and may also conduct a pre-license assessment or a visit of the premises of the applicant to verify the genuineness of the submitted information.

(3) The Commission on being satisfied, after conducting such inquiries and after obtaining such further information as it deems appropriate, that-

- (a) the applicant is eligible for license; and
- (b) it is in the interest of capital market;

may grant a license to the applicant on **Form B** subject to such conditions or restrictions as it considers necessary.

(4) The license shall remain valid for a period of one year from the date of its grant.

7. Renewal of License.— (1) Subject to the provisions of the Act and these Regulations, a share registrar and balloter shall, at least two months prior to the date of expiry of its license, apply to the Commission on **Form C** along with all the documents as specified in **Annexure III** []¹.

(2) The Commission upon being satisfied that the applicant continues to meet the requirements for licensing shall renew the license for one year and issue a certificate of renewal of license to the applicant on **Form D**.

(3) Where the application for renewal of license is made within the provided time but has not been decided by the Commission, the existing license shall continue to be valid until the application for renewal of license is decided by the Commission.

(4) While considering renewal of license of a share registrar and balloter, the Commission may, in addition to the conditions for grant of license and the matter specified under regulation 6, also take into account the past performance of the share registrar and balloter.

8. Procedure where license is not granted or renewed.— (1) The Commission, after giving a reasonable opportunity of hearing to the applicant, may refuse to grant or renew a license if in the opinion of the Commission such applicant does not fulfill the requirements prescribed under the Act and these regulations or where the Commission after taking into account the facts, is of the view that it is not in the public interest or in the interest of the capital market to grant or renew a license.

(2) The decision of refusal to grant a license or refusal of renewal of license shall be communicated to the applicant stating therein the grounds on which the application has been rejected.

(3) A share registrar and balloter whose application for renewal of license is refused under sub-regulation (1) shall, from the date of receipt of the decision of the Commission, not act

¹ Deleted the words “and evidence of payment of non-refundable renewal fee of twenty five thousand rupees, for renewal of its license” vide S.R.O. 1284 (I)/2019 dated October 28, 2019

as share registrar and balloter for any new Issue.

(4) A share registrar and balloter whose application for renewal is refused shall, on the day of the receipt of the decision of the Commission, intimate to all its customers and the securities exchange in case it is providing Share Registrar and Balloter Services to listed company or listed securities, about its inability to act as a share registrar and balloter.

(5) A share registrar and balloter whose application for renewal of license is refused by the Commission shall continue to provide Share Registrar and Balloter Services to all its existence customers till the appointment of any other share registrar and balloter by its customers:

Provided that the appointment of any other share registrar and balloter should be made within such time period as mentioned in the refusal order but not exceeding 60 days from the date of such refusal.

CHAPTER III

FUNCTIONS, DUTIES AND OBLIGATIONS

9. Functions of the share registrar and balloter.— A share registrar and balloter shall be responsible for the following functions, namely:-

- (a) to collect applications for subscription of securities from the bankers to the issue and other intermediaries, if any, conduct scrutiny of the applications and prepare list of all applications that have been rejected in the scrutiny along with reasons of rejection;
- (b) to conduct ballot, if required, and prepare separate lists of applications declared successful and unsuccessful in the ballot;
- (c) to prepare and maintain allotment register and keep proper record thereof;
- (d) to ensure that allotment is made in the manner as disclosed in the prospectus or any other offering document(s);
- (e) to prepare and submit a report in respect of each public offering, in which it has acted as a share registrar and balloter, to the Commission within thirty days of the closure of the Issue and such report should contain the following information:-
 - (i) name of the issuer, and offerer, where applicable;
 - (ii) date of publication of the prospectus;

- (iii) amount of securities allocated to various types of investors including sponsors, directors, pre-IPO investors, institutional investors, high net worth individual investors and general public i.e. retail investors;
 - (iv) detail of bidding including dates of bidding; volume offered; floor price; volume bid for; number of bids received, successful, unsuccessful, rejected, if any;
 - (v) dates of subscription for retail portion;
 - (vi) size-wise and bank-wise breakup of applications and amount thereof received for subscription of securities;
 - (vii) number of successful, un-successful and rejected applications and reasons of rejection thereof;
 - (viii) mechanism adopted for the allotment of securities; and
 - (ix) status of refund of the subscription money of the unsuccessful and rejected applications.
- (f) to maintain record of the allotment, transfer and redemption of securities, redemption and profit payment to the security holders;
 - (g) to maintain record of the disposal of the queries and complaints by the investors with regard to issue and transfer of securities; refund of subscription money; payment of dividend and profit; redemption; conversion and other related matters;
 - (h) to maintain list of members in such form and manner as required under the Ordinance and the Act;
 - (i) to maintain record of payment of dividend to shareholders as and when declared by its customer;
 - (j) to maintain record of bonus and right issues containing at least the following information:
 - (i) in case of right Issue: date of approval by the board of directors, date of dispatch of the right allotment letters or credit of unpaid right entitlement in book entry form, date for payment and renunciation of right allotment letters, date of dispatch or credit of right shares, number of securities remained as unsubscribed;

- (ii) in case of bonus issue: date of approval by the board of directors of the issuer, date of dispatch or credit of the bonus issue; and number of securities remained as undelivered.
- (k) to maintain record of the decisions taken by its customer relating to issue of securities and payment of dividend, profit thereon, if any; and
- (l) any other function and activity arising as its obligation under any other provision of these regulations or pursuant to the agreement executed with its customer.

10. Duties and obligations of share registrar and balloter.— (1) A share registrar and balloter shall,

- (a) while appointing chief executive and directors, ensure that the chief executive and directors fulfill the fit and proper criteria provided in **Annexure-I**;
- (b) maintain the eligibility criteria provided in regulation 4 and notify to the Commission immediately if it ceases to fulfill any of the conditions prescribed in the said regulation;
- (c) maintain high standard of integrity and fairness in discharging its functions and obligations; and its dealings with the investors, other share registrars and balloters, its customers, and third parties in the conduct of its business;
- (d) fulfill its obligations in a fair, efficient, transparent and ethical manner;
- (e) act with due skill, care and diligence in performing all its functions and discharging all its obligations and responsibilities;
- (f) prepare and provide lists of the successful, unsuccessful, rejected and unaccepted applications to the issuer for allotment, issue, credit and dispatch of securities and refund of subscription money, where required, according to the provisions of the applicable laws and procedure disclosed in the prospectus;
- (g) strictly follow the criteria and procedure provided in the respective prospectus for the scrutiny of applications, balloting, if required, and allotment of securities;
- (h) render only such services as agreed in writing with its customers and which are not prohibited under these regulations and any other applicable law;

- (i) handle the complaints, inquiries of the investors received directly or through its customers, the securities exchange or the Commission in a timely and appropriate manner;
- (j) maintain its own website and upload on it among other things list of its clients, form and procedure for online submission of complaints, and any other document or information as required by the Commission from time to time;
- (k) maintain proper record of the complaints received and their redressal status and file a report on the same with the securities exchange within fifteen days of the closing of each quarter;
- (l) frame internal control policy to ensure compliance with the requirements of these regulations by its employees;
- (m) obtain from its relevant employees, undertakings stating therein that they will not misuse their positions of having access to the non-public information, if any, relating to its customers for their personal benefit or for the benefits of any other person who does not have or is not authorized to have access to such information;
- (n) ensure that internal control policy is widely disseminated for compliance by all employees and is reviewed for appropriateness and sufficiency by the competent authority at least once every year;
- (o) promptly investigate, in the event of a breach of the internal control policy and take appropriate steps to rectify the weaknesses, if any, to prevent recurrence of such breach;
- (p) execute a written agreement with its customers prior to providing any services. The agreement must contain at least such terms and conditions as specified in **Annexure IV**;
- (q) develop and maintain internal control system and financial and operational capabilities which can be reasonably expected to protect its operations, its customers, the investors and other regulated persons from financial loss arising from theft, fraud, and other dishonest acts, professional misconduct or omissions;

- (r) employ sufficient human resource which is adequately trained to efficiently perform its functions as share registrar and balloter;
 - (s) submit any document, report or information as and when required by the Commission;
 - (t) ensure that any change in its license status, any adverse action taken by the Commission against it or any material change in its financial position and capabilities which may adversely affect the interests of its customers and the investors is promptly communicated to its customers;
 - (u) prominently display the share registrar and balloter license for information of customers and investors;
 - (v) comply with the relevant provisions of the Act, these regulations and any directive, Guidelines, or code issued thereunder;
 - (w) give to the Commission under section 73 of the Act, notice of ceasing to carry on its business as share registrar and balloter and changes in any of its particulars mentioned in section 72 of the Act as soon as practicable but not later than seven days of the occurrence of the concerned event.
 - (x) maintain a data base of dividend mandate option, Zakat exemption, tax deduction status, and contact details of the security holders of its clients and update the same on continuous basis.
- (2) The share registrar and balloter shall not,-
- (a) provide services as a share registrar and balloter to any of its listed associated companies or associated undertakings;
 - (b) change its chief executive without prior approval, in writing, of the Commission;
 - (c) make any false statement, whether oral or written, about its qualifications, capabilities and achievements to potential customers;
 - (d) disclose information to any person for any purpose other than in the performance of its obligations as a share registrar and balloter unless such disclosure is expressly or impliedly authorized by its customer or registered owner of the security or is required

or permitted by any applicable law, rule, regulation, direction or order of the Commission;

- (e) derive any undue benefits directly or indirectly, from the business relationship with its customers other than the charges payable to it under the agreement;
- (f) disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge in the business relationship with its customers;
- (g) be party to or instrumental for passing of unpublished price sensitive information in respect of securities which are listed or proposed to be listed on the securities exchange to any person or intermediary;
- (h) willfully make false statement or conceal any material fact in any document, report or paper furnished to the Commission; and
- (i) alter its object clauses relating to Share Registrar and Balloting Services without prior approval of the Commission.

11. Customers' rights.— The share registrar and balloter shall not exclude or restrict any of its duties and obligations owed to the customers under the Act and these regulations.

12. Appointment of compliance officer.— (1) The share registrar and balloter shall designate any of its officers as a compliance officer, who shall be responsible for monitoring compliance of the share registrar and balloter with the requirements of the Act and these regulations.

(2) The compliance officer shall immediately report any non-compliance by the share registrar and balloter, with any requirements of the Act and these regulations to the chief executive and the chief executive shall immediately take steps to ensure compliance with such requirements.

(3) The compliance officer shall prepare annual compliance report which shall be submitted to the board of directors of the share registrar and balloter within two months of the close of each financial year.

13. Conflict of interest.— (1) The share registrar and balloter shall take all reasonable steps to ensure that no conflict of interest arises while performing its functions.

(2) The share registrar and balloter must disclose to its customer, before entering into agreement with it, all possible conflicts of interest including that of its sponsors and directors which could impair its ability to render fair, objective and unbiased service.

(3) Where any conflict of interest arises, the share registrar and balloter shall immediately inform its customer and not gain any direct or indirect advantage from the situation and shall act in the best interests of the customer and the investors.

(4) The share registrar and balloter shall put in place a mechanism to resolve any conflict of interest that may arise in the conduct of business and take all reasonable steps to resolve all conflict of interests in an equitable manner.

(5) The share registrar and balloter shall ensure that channels of communications, like logs of e-mails and other inter-office information exchange channels are properly documented and monitored regularly and effectively.

Explanation:- For the purposes of this clause the expression “conflict of interest” includes situations in which a share registrar and balloter has competing interests which make it difficult for the share registrar and balloter to fulfill its duties and obligations impartially.

14. Invitations and Advertisements.—(1) A share registrar and balloter shall not.—

- a) make any unsubstantiated claims, in order to induce customers, about qualifications of its professional staff or its capabilities to render certain services or its achievements concerning services rendered to other customers;
- b) involve in unfair competitive practices which are likely to be harmful to the interest of other share registrars and balloters, nor shall solicit business from customers of any other share registrar and balloter on assurance of providing any undue benefit;
- c) publish, circulate or distribute any advertisement or any information which is false, misleading or deceptive or contain such material which is prejudice to the interest of any other person including investors;
- d) make any exaggerated statement regarding its capabilities to render certain services or its achievements; and
- e) willfully make false statements or conceal any material fact in any document,

report or statement submitted to the Commission.

CHAPTER IV

MISCELLANEOUS

15. Maintenance of Books of Accounts and other records.— (1) In addition to the requirements of the Ordinance and section 79 of the Act, the share registrar and balloter shall properly maintain the following records, namely:-

- (a) list of all the applications received from investors for subscription of securities;
- (b) list of all the rejected applications and reasons of rejection thereof;
- (c) criteria, procedure and basis of allotment of securities;
- (d) allotment register;
- (e) record relating to dividend, bonus and right shares; profit payments and redemption of principal amount;
- (f) all the record relating to the investors' complaints;
- (g) members' register and shareholding pattern;
- (h) detail of transfer of securities and supporting documents; Computerized National Identify Card (CNIC)/National Identify Card for Overseas Pakistanis (NICOP) numbers and passport number in case of foreigners and addresses of the transferors and the transferees;
- (i) copy of agreements executed with its customers;
- (j) documents relating to initial and further issues of securities;
- (k) detail of unclaimed dividend and undelivered securities;
- (l) record with regard to proxies of members for general meetings; and
- (m) such other records as may be required by the Commission to be maintained.

(2) The share registrar and balloter shall ensure that the record referred to in sub-regulation (1) is maintained and preserved in good order for a period of at least ten years from the closing of the respective Issue and open for inspection by the Commission or any person appointed by the Commission for this purpose.

(3) The share registrar and balloter shall ensure that the record is kept at such place and maintained in such a manner that it is easily accessible and conveniently auditable.

(4) The share registrar and balloter shall establish record-retention-policy which shall ensure that all relevant legal requirements are complied with.

(5) Any record maintained in electronic form, must be digitally signed.

(6) The share registrar and balloter shall keep accounting and other records updated in such form which sufficiently explains its business and financial position.

16. Repeal. - The Balloters and Transfer Agents Rules, 2015 is hereby repealed.

FIT & PROPER CRITERIA FOR APPOINTMENT OF THE DIRECTORS AND CHIEF EXECUTIVE OF A SHARE REGISTRAR AND BALLOTER

To determine whether a person is fit and proper to hold the position of a director or chief executive in a share registrar and balloter, the share registrar and balloter shall consider the following:

- (i) reputation of the nominee in the industry;
- (ii) length of service and relevancy of his past experience to the nature of the job;
- (iii) educational qualification and its relevancy to the nature of the job;
- (iv) likely impact of his holding the position as ...[name of the position nominated for] in the share registrar and balloter on any customer of the share registrar and balloter, the investors and the market;
- (v) any other fact and information as may deem appropriate by the share registrar and balloter;
- (vi) share registrar and balloter shall ensure that the person nominated for the position of director or chief executive has not been:
 - (a) convicted in any criminal offence or directly involved in any settlement in civil or criminal proceedings in any court, particularly with regard to investments, business misconduct, fraud, forgery, breach of trust and financial crime etc.;
 - (b) declared associated with any unauthorized financial activity by any regulatory authority;
 - (c) disqualified or removed from the post of chairman, chief executive and director or from any other senior management position of a company by the Commission or any other regulatory authority;
 - (d) convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a financial institution;

- (e) reported as having overdue loan/past due payment irrespective of the amount, appearing in the overdue column of the latest reports of Credit Information Bureau of State Bank of Pakistan. Further, there should be no overdue or defaults, irrespective of the amount, appearing in the latest CIB reports of the companies, firms, sole proprietorship etc. where the nominated person is interested as a chief executive, director (other than nominee director), owner, partner or substantial shareholder, etc.; and
 - (f) restrained, prohibited or debarred from dealing in securities in the capital market or from accessing the capital market by the Commission.
- (vii) Share registrar and balloter shall ensure that:
- (a) membership of the person nominated for the position of director or chief executive has not been suspended or cancelled by any association, professional body or entity;
 - (b) registration or license of any company in which the person nominated for the position of director or chief executive has remained director or chief executive during the last three years has not been suspended or cancelled by the Commission or any other regulatory;
 - (c) no investigation or enquiry is under process in the Commission or in any other regulatory authority against the person nominated for the position of director or chief executive;
 - (d) no investigation or enquiry is under process in the Commission or in any other regulatory authority against any company in which the person nominated for the position of director or chief executive has remained director or chief executive during the last three years; and
 - (e) the person nominated for the position of director or chief executive has signed and submitted a declaration on the format provided at **Annexure-VI**.

FORM A

[Regulation 5(1)]

**APPLICATION FOR GRANT OF LICENSE AS A SHARE REGISTRAR AND
BALLOTTER**

To

The Securities and Exchange Commission of Pakistan
(Full Address of SECP)

Pursuant to the decision of the board of directors of[name of applicant] taken in its meeting held on[date of meeting]....., we hereby apply for grant of license as a share registrar and balloter under regulation 5 of the Share Registrars and Balloters Regulations, 2017 (the Regulations) read with section 68 of the Securities Act, 2015. The requisite information and documents mentioned at **Annexure II** of the Regulations and the document evidencing payment of the fee are attached herewith.

Date: _____

Signature: _____

Place: _____

Name and designation of the chief executive, the director or the company secretary duly authorized by the board of directors through a resolution to sign and submit this application.

**INFORMATION AND DOCUMENTS TO BE SUBMITTED
ALONG WITH APPLICATION UNDER REGULATION 5**

1. General and business information:

- 1.1 Name and designation of the compliance officer along with contact detail i.e. postal address, postal code, telephone number, fax number and e-mail address.
- 1.2 Detail of ongoing legal or regulatory proceedings, if any, initiated against the applicant or any of its directors, Chief Executive Officer, or Company Secretary by the Commission or any other regulatory authority.
- 1.3 Detail of penal or regulatory action(s), if any, taken against the applicant during the last three years by the Commission or any other regulatory authority.
- 1.4 Procedures for redressal of complaints, if any, lodged by the members of the applicant's customers and other investors.
- 1.5 Experience as share registrar and balloter, if any.
- 1.6 Any other information considered relevant to the business of the applicant as share registrar and balloter.
- 1.7 Detail of infrastructural facilities like office space, equipment and systems to be used for handling of applications submitted for subscription of securities, data processing, balloting, credit or dispatch of securities and dividend, transfer of securities and maintenance of the members' registers etc.
- 1.8 Procedure for handling of investors' complaints.

2. List of documents to be provided along with application:

- 2.1 copy of Memorandum & Articles of Association of the applicant, certificate of incorporation and certificate of commencement of business .
- 2.2 audited accounts of the applicant for the last three years and latest half yearly and quarterly accounts.
- 2.3 profile of chief executive and directors of the applicant [name, qualification, experience

and date of appointment, directorship in other companies, names of such other companies and date of appointment as director in such other companies].

- 2.4 list of companies to whom it provides services, if any, as share registrar and balloter.
- 2.5 list of public offering of securities in which it provided services as share registrar and balloter during the last three years. The list should contain name of the issuer, nature of security offered, Issue date and size of the Issue.
- 2.6 a declaration in the manner as given at **Annexure V**
- 2.7 any other information/document as required by the Commission.

FORM B
[Regulation 6(3)]

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SHARE REGISTRAR AND BALLOTTER LICENSE

Islamabad, the _____ (date)_____

License No. _____

1. The Securities and Exchange Commission of Pakistan, having considered the application for grant of share registrar and balloter license under regulation 5 of the Share Registrars and Balloters Regulations, 2017 (the Regulations) read with Section 68 of the Securities Act, 2015 (the Act) by.....[*name of the applicant*] (the Applicant) and being satisfied that the Applicant is eligible for grant of license and that it would be in the interest of the capital market so to do, hereby grants share registrar and balloter license, under regulation 6 of the Regulations read with Section 68 of the Act, to the Applicant to carry out the activities as specified in the Regulations subject to the condition that the Applicant shall comply with all the provisions of the Regulations and to any other condition that may be imposed hereafter.

2. Unless restricted, suspended or cancelled this license is **valid for one year** from the date of its issuance.

For and on behalf of the
Securities and Exchange Commission of Pakistan
(Authorized signatory)

FORM C
[Regulation 7(1)]

APPLICATION FOR RENEWAL OF LICENSE

To,
The Securities and Exchange Commission of Pakistan.
(Full Address of SECP)

Pursuant to the decision of the board of directors of [name of the applicant]..... taken in its meeting held on[date of meeting]....., we hereby apply for renewal of share registrar and balloter license under regulation 7(1) of the Share Registrars and Balloters Regulations, 2017 (the Regulations) read with Section 69 of the Securities Act, 2015 (the Act). The information and documents mentioned at **Annexure II** to these Regulations []².

The existing license is due to expire on ... (please mention date of expiry of the license).

Date: _____

Signature: _____

Place:

Name of the chief executive officer, director or the company secretary duly authorized by the board of directors through a resolution for signing and submission of this application.

² Deleted the words “and the document evidencing payment of the renewal fee are attached herewith” vide S.R.O. 1284 (I)/2019 dated October 28, 2019

Annexure-III
[Regulation 7(1)]

INFORMATION TO BE PROVIDED ALONG WITH APPLICATION FOR RENEWAL

The following information shall be provided, along with application for renewal of license, by a share registrar and balloter:

1. Detail of legal proceedings including penal action, if any, initiated against it by the Commission or any other regulatory body during the last one year.
2. Declaration that the share registrar and balloter is in compliance with all the applicable provisions of the Act and the Regulations.
3. Number of complaints received, if any, during the last one year and their rederssal status.
4. Copy of the last year's annual audited accounts and latest half-year accounts.

FORM D
Regulation 7(2)]

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

**RENEWAL OF
SHARE REGISTRAR AND BALLOTTER LICENSE**

Islamabad, the (date).....

License No.

1. The Securities and Exchange Commission of Pakistan, having considered the application of the share registrar and balloter for renewal of its license under regulation 7(1) of the Share Registrars and Balloters Regulations, 2017 (the Regulations) read with Section 69 of the Securities Act, 2015 (the Act) by [*name of the applicant*] (the Applicant) and being satisfied that (the Applicant) is eligible for renewal of license and that it would be in the interest of the capital market so to do, hereby renew under regulation 7(2) of the Regulations read with Section 69 of the Act, share registrar and balloter license of (the Applicant) to carry out the activities as specified in the Regulations subject to the condition that (the Applicant) shall comply with all the applicable provisions of the Regulations and the Act and to any other condition that may be imposed hereafter.

2. Unless cancelled, restricted or suspended this renewal is **valid for a period of one year** from the date of its issuance.

For and on behalf of the
Securities and Exchange Commission of Pakistan
(Authorized signatory)

Annexure- IV
[Regulation 10(1)]

TERMS OF AGREEMENT WITH CUSTOMER

The agreement with customer should contain all the necessary terms and conditions including the following:-

- (i) Names of parties to the agreement, date of the agreement, role and responsibilities of each party to the agreement.
- (ii) the time period for which the agreement shall be in force and valid;
- (iii) the service charges payable to the share registrar and balloter;
- (iv) conditions under which the agreement becomes revocable;
- (v) the time period within which modifications and alteration may be made in the agreement;
- (vi) a clause stating that the agreement shall not be modified unilaterally and in any way other than in writing;
- (vii) a clause stating that the arrangement does not absolve the customer of the obligations and responsibilities placed on it under the Companies Ordinance, 1984(XLVII of 1984), the Securities Act, 2015 or any other law for the time being in force; and
- (viii) the share registrar and balloter shall render only such services as provided in the agreement.

DECLARATION

This declaration must be signed by the chief executive or any director of the applicant authorized by the Board of Directors) to do so through resolution passed in its meeting.

1. I, Mr./Ms. chief executive officer/director of (name of the applicant) on behalf of the applicant and duly authorized by the board of directors of (name of the applicant).... To do so state that we have applied under regulation 5 of the Share Registrars and Balloters Regulations, 2017 (the Regulations) for grant of share registrar and balloter license.
2. That we undertake that we shall carry out our duties as share registrar and balloter in accordance with provisions of the Securities Act, 2015 and the Regulations.
3. That we will promptly intimate the Commission of any change in the information provided with the application for registration under regulation 5 of the Regulations as and when any change occurs in the information provided to the Commission.
4. That the information provided in the application and documents attached thereto is true and correct to the best of our knowledge and belief and that nothing has been concealed.
5. That we hereby declare and undertake that we meet all the eligibility conditions as specified in the Regulations for share registrar and balloter license.
6. We undertake that-
 - (a) Chief executive officer, of the applicant is familiar and well conversant with all the laws relating to regulated activities and the issue of securities e.g. part V to VIII of the Securities Act, 2015 and section 19 and 20 thereof; Part V and Part VI of the Companies Ordinance, 1984; the rules relating to the issue of capital;
 - (b) we will not proceed with allotment, issue or transfer of any security which is in violation or is not in compliance with the applicable laws and prescribed procedures; and
 - (c) in case of receipt of any direction from our customer for any unlawful allotment, issue or transfer of security, we shall report the same to the Commission immediately on receipt of such direction from our customer.

For and on behalf of (name of the applicant)....

Date: _____

Signature: _____

Place: _____

Name and designation of the chief executive officer or any director of the applicant authorized by the board of directors.

To

The ...*[name of the respective share registrar and balloter]* ...;

Dear Sir;

DECLARATION BY THE NOMINEE FOR APPOINTMENT AS *[name of the position applied for]*..... OF*[name of the share registrar and balloter]*..... PURSUANT TO SHARE REGISTRARS AND BALLOTTERS REGULATIONS, 2017

(1) I hereby declare to the best of my knowledge and belief that:

- (a) I have not been convicted or charged with any offence under the securities laws or other laws involving fraud or dishonesty in a court of law within or outside Pakistan, during the last ten years from the date of this declaration;
- (b) Neither I have received any notice nor subject to any inquiry or investigation by any regulatory authority within and outside Pakistan;
- (c) I and the companies, firms and sole proprietorships where I am interested as chief executive, director (their than nominee director), owner, partner and substantial shareholder have no overdues or defaults to any financial institution;
- (d) There is no omission of any material fact from this declaration and the documents provided to the *[name of the concerned share registrar and balloter]* with respect to my appointment as *[name of the position applied for]*; and
- (e) There is no false or misleading statement in this declaration and the documents provided to the share registrar and balloter with respect to my appointment as *[name of the position applied for]*.

(2) I hereby undertake that:

- (a) I will continuously exercise integrity, diligence, competence and soundness of judgment in fulfilling my responsibilities for this position under the applicable laws; and
- (b) I will not interfere in the fair implementation of the rules, Regulations and procedures relating to issue, transfer and allotment of securities.

(3) The above declaration has been signed by me pursuant to my nomination as(name of the position nominated for) of ...(name of share registrar and balloter)...

Yours faithfully,

Name: _____

CNIC No: _____

Date: _____

Secretary to the Commission