



PRESS RELEASE

For immediate release

November 14, 2024

SECP Notifies Regulations for Securities Managers

Islamabad, November 14: The Securities and Exchange Commission of Pakistan (SECP) has notified the Securities Managers (Licensing and Operations) Regulations, 2024 with the objective to facilitate investment advisory in the securities market.

The regulatory framework permits eligible securities brokers to provide portfolio management services after obtaining the license of a securities manager from the Commission. Prior to the issuance of these regulations, securities brokers were precluded from providing investment advisory services.

The eligibility criteria for obtaining the license of a securities manager include maintaining a minimum net worth of Rs. 30 million and a Broker Fiduciary Rating of BFR 2 or higher. The applicant must further be able to demonstrate adequate research capacity to undertake the functions of a securities manager. The funds and securities of customers shall be maintained with an independent custodian while the minimum investment threshold which the securities manager may accept from a client has been stipulated as Rs. 5 million.

Other key areas addressed in the Regulations include licensing procedures, conduct of the securities manager, preparation of Investment Policy Statement for the customers, and managing conflict of interest. The newly introduced regulations are part of the Commission's efforts to further develop the capital market and facilitate entry of new market participants in order to enhance competitiveness. The regulations have been introduced beyond completing a comprehensive consultative process and after seeking feedback from relevant stakeholders. The Regulations can be accessed from the website of SECP at: <https://tinyurl.com/2ktakbt2>.