PART II
Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 19th September, 2019

S. R. O. 1115 (I)/2019.— The following draft amendments to the Securities Brokers (Licensing and Operations) Regulations, 2016, 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 sub-section (4) of the said section 169 and sub-section (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:—

(2043)

Price: Rs. 6.00

In the aforesaid Regulations,—

(1) In first proviso of sub-regulation (1) of regulation 6, the term “June 30, 2019” shall be substituted by the term “December 31, 2019”.

(2) In regulation 30, in place of the sub-regulation (5), the following shall be substituted, namely:—

“(5) No securities broker shall make a blank sale either for its own account or for the customers’ accounts except in the manner and to such extent as provided for within the regulations of the securities exchange.”

(3) In clause 4.1 of Annexure A, the phrase “and that of the certificate of commencement of business,” shall be deleted.

(4) In Annexure B, Fit and Proper Criteria, the Explanation under sub-clause (iii) of clause (a) under the head Financial Soundness and Integrity, shall be substituted by the following, namely:—

“Explanation: In case of overdue payment to any financial institution, CIB reports from the State Bank of Pakistan shall be examined and if there is any overdue/past due payment to a financial institution, irrespective of amount, in overdue column of latest CIB report of the person and of the companies, firms, sole proprietorship etc. where such person is a chief executive, director (other than nominee director), owner or partner or sponsor etc., such person shall not be considered fit and proper person except:

(a) in case where such overdue amount is under litigation and the same is also appearing as amount under litigation in CIB report; or

(b) No overdue payment is appearing in the overdue column in the subsequent latest CIB report; or

(c) such person provides the documentary evidence of having no directorship in companies, firms, sole proprietorship etc., other than brokerage house, showing overdue status in their CIB reports.”
In case of overdue amount in CIB report, no rejection shall be made unless the person has been provided an opportunity of making a representation before the Commission.

(5) In sub-clause (5) of clause (b) under the head Educational or other Qualification or Experience of Annexure B, Fit and Proper Criteria, the phrase “at least one of the sponsors has” shall be inserted after the terms “sound track record and”.

(6) In Annexure B, Fit and Proper Criteria, after sub-clause (viii) of clause (d) under the head Integrity, Honesty and Reputation, the following new provision shall be inserted, namely:

“In case of any ambiguity in determination of fitness and propriety of a person in terms of this criteria, the decision of the Commission shall be final and binding upon the securities broker.”

[No. SMD/SE/2(267)/2016.]

BILAL RASUL,
Secretary to the Commission.