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PART II

Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 26th July, 2022

S. R. O. 1183(I)/2022.—In exercise of the powers conferred by section 10 read with sub-section (4) of section 20 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), the Securities and Exchange Commission of Pakistan (the Commission), in supersession of its earlier notifications S.R.O. 508(I)/2021 dated April 22, 2021 and S.R.O. 52(I)/2022 dated January 12, 2022, subject to such conditions and limitations as it may from time to time impose, hereby delegates the following powers and functions of the commission under the primary and secondary legislation to its Commissioner (Insurance) and the officer of the Insurance Division, to the extent of insurance companies, insurance brokers, insurance surveyors, re-insurance brokers and third party administrators only, whether listed or not, namely:—

1. PRIMARY LEGISLATION:

(a) SECP ACT, 1997 (XLII OF 1997):

S#	Relevant Section	Nature of Power / Function	Powers delegated to
1	40B	Power to issue directives, circulars and guidelines.	Commissioner (Policy Regulation and Development Department - Insurance Division)

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(b) COMPANIES ACT, 2017 (XIX OF 2017):

S#	Relevant Section	Nature of Power / Function	Powers delegated to
1	82(1) & (2)	To sanction issue of shares at discount on such terms and conditions as he deems fit and to allow extension in time to issue shares at discount.	Commissioner (Policy Regulation and Development Department - Insurance Division)
2	83(1)(a)(iv)	To grant approval for extending period up to thirty days for allotment of offered shares that have been declined or remained unsubscribed by directors in a manner deemed fit by them, for public companies.	Executive Director/Director/ Head of Department (Policy Regulation and Development
3	83(1)(b)	To allow a company to issue further share capital to any person for cash or for a consideration other than cash.	Commissioner (Policy Regulation and Development Department - Insurance Division)
4	125(1) Proviso	To extend the period of book closure mentioned in sub-section (1) for a further period of fifteen days.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
5	132(1)	To grant extension in period upto thirty days for holding annual general meeting beyond the due date.	**Do**
6	147(1)	To call or direct the calling of an overdue statutory meeting, annual general meeting or an extraordinary general meeting of a company on application of any director or member of the company.	**Do**
7	147(2)	To direct that all expenses incurred in connection with holding of a meeting of a company as per direction under sub-section (1) may be recovered from any officer of the company.	**Do**
8	182(1)	To accord approval for the grant of a loan or give any guarantee or provide any security in connection with a loan made by any other person to a director of the company, for purposes specified therein.	**Do**
9	196(1)	To accord approval for appointment of any sole purchase, sale or distribution agent of a company	**Do**
10	223(2)	To grant extension up to thirty days in the period for laying the financial statements by a company in the annual general meeting.	**Do**
11	228(7)	To grant exemption from provisions relating to consolidated financial statements.	**Do**
12	229(2)	On the application of holding company or a subsidiary of the holding company, extend financial year of any such company.	**Do**
13	229(3)	To grant any such other relaxations as may be incidental or ancillary thereto, while granting any extension under section 229(2)	**Do**
14	237(1) 2nd proviso	To extend the period of filing in case of accounts of first quarter for a period not	**Do**

		exceeding thirty days, if the company was allowed extension in terms of sections 223.	
15	238(1)	To require insurance companies, by special or general order, to prepare and submit periodical statements of account, information or other reports.	Commissioner (Policy Regulation and Development Department - Insurance Division)
16	243(2)	To allow the company to withhold or defer payment of dividend.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
17	244(4)	To receive and forward the claim to the bank for payment to entitled person of the sum equivalent to his unclaimed or unpaid dividend or amount of proceeds etc.	**Do**
18	246(6)	To grant approval for appointment of auditors in place of the auditors removed during the tenure,	**Do**
19	503	To accord, give or grant approval, sanction, consent, confirmation, recognition, direction or exemption, subject to such conditions, limitations or restrictions as he may think fit to impose and may, in the case of contravention of any such condition, limitation or restriction, rescind or withdraw such approval, sanction, consent, confirmation, recognition, direction or exemption.	Commissioner (Policy Regulation and Development Department - Insurance Division) and Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)

(c) INSURANCE ORDINANCE, 2000 (XXXIX OF 2000):

S#	Relevant Section	Nature of Power / Function	Powers delegated to
1	13(2)	To direct the life insurer in writing to make changes in the particulars and materials filed sub-section (6) or (8) of section 6 or any amendment to the documents filed under sub-section (9) of section 6.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
2	14(8)	To approve division or amalgamation of statutory funds.	Commissioner (Policy Regulation and

			Development Department - Insurance Division)
3	31	To approve refund of deposit.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
4	32(1)(d)	To declare those assets as are to be admissible for the purposes of Part- V of the Ordinance.	Commissioner (Policy Regulation and Development Department - Insurance Division)
5	32(8)	To make declaration under clause (d) of sub-section (1) of section 32 on application by an insurer.	**Do**
6	41(5)	To allow reinsuring facultative outside Pakistan any insurance business or any part thereof underwritten by it in Pakistan.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
7	45(5)(c)	To approve, manner other than those mentioned in clauses (a) and (b) of sub-section (5) of section 45.	**Do**
8	45(5) Proviso	To approve that the matters recorded or stored are capable of being reproduced in a written form.	**Do**
9	48(1)	To approve the auditor as qualified to perform audits of insurance companies.	**Do**
10	51(1) Proviso	To extend time, on application by an insurer, allowed by sub-section (1) of section 51 for furnishing of returns.	**Do**
11	51(2) Proviso	To extend the time allowed for furnishing returns on application by an insurer by a further period not exceeding fifteen days.	**Do**
12	55(1)	To supply certified copy of any return, or of any part thereof, on payment of fee.	**Do**
13	61(1)	To direct an insurer to supply the Commission with any information relating to its insurance business.	**Do**
14	61(2)	To direct that the information supplied may be certified by the principal officer of the insurer.	**Do**

15	61(3)	To direct the chief executive or principal officer of an insurer to discuss with the Commission any matter pertaining to the business or management of the insurer	Do
16	62(1)	To direct an insurer to prepare, present to its directors and to the Commission, a plan or action to rectify or to prevent an actual or apprehended contravention by the insurer of the conditions of registration set out in section 11.	Do
17	62(2)	To call for such information and opinions or certificates with the plan of action under sub-section (1) of section 62.	Do
18	64(1)	To order calling of meetings of directors, to allow any officer of the Commission to attend and speak at any meeting of Board of Directors.	Do
19	89(4)	To direct insurer to make changes in the variation proposed by the insurer in the basis of calculation of the surrender value, referred in sub-section (3) of section 89.	Do
20	113(4)	To prescribe the form and contents of reporting by the insurance surveying officer.	Do

2. SECONDARY LEGISLATION

(a) Insurance Rules, 2017

S#	Relevant Rule	Nature of Power / Function	Powers delegated to
1	14(2)	To grant written permission to a life insurer to maintain the solvency margin in its shareholders' fund and statutory funds in aggregate.	Commissioner (Policy Regulation and Development Department - Insurance Division)
2	18	To allow reinsuring facultative outside Pakistan any insurance business or any part thereof underwritten by it in Pakistan.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
3	34(c)	To approve the curriculum of foundation course; and to recognize an institute to examine and certify the foundation course and refresher course for the purposes of	Commissioner (Policy Regulation and Development Department - Insurance Division)

		clause (c) of rule 34 and second proviso thereof. To grant exemption to the agents and designated persons from the requirement of foundation course who meet such criteria and requirements as may be approved by the Commission from time to time, but such exemption shall be availed through registering with an institute as approved by the Commission.	
4	35(a)(vii) & (b)(vii)	To specify other particulars to be maintained in respect of natural person or body corporate insurance agent.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
5	44(c)	To approve a professional institute for conducting test for authorised surveying officer for any or all classes of insurance surveying business.	Commissioner (Policy Regulation and Development Department - Insurance Division)
6	45	To approve insurance institute(s) authorized to issue Continuous Professional Development Certificate for directors and chief executive officer of all fresh applicants for classes of insurance surveyor business specified at clause (d), (e), (f), (g) and (h) of sub-rule (1) of rule 41. To approve professional institute authorized to conduct Continuous Professional Development for authorised surveying officers	**Do**
7	50	To require any person carrying on such activities in Pakistan to withdraw any written, electronic or other material issued by it for mass communication or communication with a policyholder or prospective policyholder.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
8	50(2)	To approve a date other than the 31st December for reporting by the insurance brokers.	**Do**

9	Paragraph 3(b) of Annexure – III	To specify certain scenarios through circular, requiring the appointed actuary to determine the policyholder liabilities, with the margin being determined as the highest excess of the liabilities determined in any of the scenarios over those displayed in the financial statements.	Commissioner (Policy Regulation and Development Department - Insurance Division)

(b) Takaful Rules, 2012

S #	Relevant Rule	Nature of Power / Function	Powers delegated to
1	10(1)(j)	To specify the reserves to be carried by the Participant Takaful Fund at all times.	Commissioner (Policy Regulation and Development Department - Insurance Division)
2	11(1)(c)	To specify such other condition on the Window Takaful Operators	Do
3	11(1)(d)	To specify the relevant experience and knowledge for Head of window takaful operations.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
4	16	To specify the form of the register of takaful contracts.	Do
5	21(5)	To specify the surplus distribution mechanism for general takaful operators.	Commissioner (Policy Regulation and Development Department - Insurance Division)
6	25(3)	To put up issues before the Shariah Advisory Board.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
7	28(2)	To approve institutions and course outline to provide training.	Commissioner (Policy Regulation and Development Department - Insurance Division)

(c) Securities and Exchange Commission (Microinsurance) Rules, 2014

S#	Relevant Rule	Nature of Power / Function	Powers delegated to
1	3(1)	To consider approval of the microinsurance products	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
2	3(2)	To approve reliable medium for offer and acceptance to form a valid microinsurance contract.	**Do**
3	5(4)	To approve any organization eligible to conduct a training program of not less than 20 hours for microinsurance agents	Commissioner (Policy Regulation and Development Department - Insurance Division)
4	5(5)	To approve any organization eligible to conduct a training program of not less than 4 hours for microinsurance agents through over-the-counter means.	**Do**
5	11(2)	To share information among microinsurance and general public through the means it deems appropriate.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)

(d) Third Party Administrators for Health Insurance Regulations, 2014

S#	Relevant Regulation	Nature of Power / Function	Powers delegated to
1	21(xvii)	To issue guidelines / directions.	Commissioner (Policy Regulation and Development Department - Insurance Division)
2	24(1)	To approve an auditor who shall be eligible to conduct audit of a Third Party Administrator.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
3	27	To publish press release to announce cancellation of registration of a Third Party Administrator.	**Do**

(e) Companies (further issue of shares) Regulations, 2020

S#	Relevant Regulation	Nature of Power / Function	Powers delegated to
1	3(3)	To approve time for book closure for the issue.	Executive Director/Director/ Head of Department (Policy Regulation and Development Department - Insurance Division)
2	6(iv)	To approve issue of shares with differential rights.	Commissioner (Policy Regulation and Development Department - Insurance Division)
3	6(v)	To approve reschedule, amend, alter, vary or reassess terms and condition of preference shares.	Do

(f) Code of Corporate Governance for Insurers, 2016

S#	Relevant Clause	Nature of Power / Function	Powers delegated to
1	Clause (lxxxi)	To approve relaxation from any of the requirements of the code in terms of clause (lxxxi) subject to such conditions as may be deemed fit.	Commissioner (Policy Regulation and Development Department - Insurance Division)

(g) Listed Companies (Code of Corporate Governance) Regulations, 2019

S#	Relevant Regulation	Nature of Power / Function	Powers delegated to
1	38	To extend the time for compliance with any of the mandatory requirements of the regulation 3, 6, 7, 8, 27, 32, 33 and 36 of Regulations.	Commissioner (Policy Regulation and Development Department - Insurance Division)

(h) Securities and Exchange Commission (Reinsurance Brokers) Regulations, 2021

S#	Relevant Clause	Nature of Power / Function	Powers delegated to
1	5(4)	To approve institutions and course outline to provide training	Commissioner (Policy Regulation and Development Department - Insurance Division)

(i) Circulars issued by the Commission:

S#	Circulars Issued by the Commission	Nature of Power / Function	Powers delegated to
1	Circular No. 35 of 2017	To issue recommendation letter for issuance of US$ denominated policies by local insurance company.	Commissioner (Policy Regulation and Development Department - Insurance Division)
2	Circulars	To grant exemptions from the requirements of any Circular issued by the Commission on case to case basis.	Do

In case of vacancy or unavailability of Executive Director/Director/Head of Department (Policy Regulation and Development Department - Insurance Division) the powers and functions delegated to him/her through this notification shall stand delegated to the Commissioner (Policy Regulation and Development Department - Insurance Division).

This notification shall not affect anything done, order made, notification issued, show cause issued, circular made, proceeding commenced, penalty imposed and/or collected, sanction granted, approval made, fee directed or collected, direction given, investigation, inspection or inquiry conducted or any other action taken or done under or in pursuance of the above referred superseded notifications, shall be valid and under lawful authority.

Any pending proceeding under the superseded notifications shall stand transferred to the delegated authority, as provided in this notification forthwith, who shall proceed with the matter as it stands prior to coming into effect of this notification.

[No. ID/MDPRD/Misc./2021.]

BILAL RASUL,
Secretary to the Commission.

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