

Government of Pakistan
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, 5th June, 2017

NOTIFICATION

S.R.O. 424 (I)/2017.- The following draft Intermediaries (Registration) Regulations, 2017, proposed to be made by the Securities and Exchange Commission of Pakistan in exercise of the powers conferred by sub-section (1) of section 512 read with section 455 of the Companies Act, 2017 (XIX of 2017), is hereby published for the information of all the persons likely to be affected thereby and notice is hereby given that comments, if any, received within fourteen days of the date of this notification will be taken into consideration.

DRAFT REGULATIONS

CHAPTER I
Preliminary

1. Short title and commencement. - (1) These Regulations shall be called the Intermediaries (Registration) Regulations, 2017

(2) They shall come into force at once. The individuals, firms or companies already engaged by the companies for filing of applications, document, and reports on their behalf shall obtain certificate of registration within three months of coming into force of these regulations.

(3) After the period of three months of notification of these regulations, only authorized intermediaries shall be eligible to file applications, document, and reports in terms of section 455 of the Act.

2. Definitions. - (1) In these regulations, unless there is anything repugnant in the subject or context,-

- (i) "Act" means the Companies Act, 2017 (XIX of 2017);
- (ii) "Annexure" means a form attached to these Regulations;
- (iii) "Authorized Intermediary" means a person registered by the Commission under these regulations and who is authorized by a company under an agreement for filing of applications, document, reports on behalf of company in pursuance of the Act;
- (iv) "Commission" shall have the same meaning as assigned to it under the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);
- (v) "Company" means a company as defined in clause (17) of sub-section (1) of section 2 of the Companies Act, 2017 (XIX of 2017);
- (vi) "e-services" means a services or means as defined in clause (27) of sub-section (1) of section 2 of the Companies Act, 2017 (XIX of 2017);
- (vii) "firm" means a practicing firm of management consultants, financial consultants, corporate consultants or tax practitioners;

- (viii) "Registrar" means a registrar as defined in clause (57) of sub-section (1) of section 2 of the Companies Act, 2017 (XIX of 2017);
 - (ix) "Registered Intermediary" means a person registered by the Commission under these regulations;
 - (x) "Regulations" means the Intermediaries (Registration) Regulations, 2017 and the Annexures and Schedules attached to it;
- (2) Words and expressions used but not defined in these Regulations shall have the same meaning unless contrary to the context as assigned to them in the Act, Securities and Exchange Commission of Pakistan Act, 1997, any rules and regulations made thereunder.

CHAPTER II Registration of Intermediary

3. Eligibility requirements for registration. – (1) An individual or firm or a company may apply to the Commission for registration as intermediary for providing services in respect of filing of applications, documents and reports with the Commission or the registrar concerned on behalf of the companies in terms of provisions of section 455 of the Act, if the applicant, -

- (i) in case of an individual-
 - (a) has a valid certificate of practice from Institute of Chartered Accountants of Pakistan (ICAP); or
 - (b) has a valid certificate of practice from Institute of Cost & Management Accountants of Pakistan (ICMAP); or
 - (c) is a practicing member of Association of Chartered Certified Accountants, certified Public Accountant, Certified Management Accountant or recognized foreign accountancy organization as notified by the Commission; or
 - (d) is LLB duly registered with the Bar Council; or
 - (e) Masters of Business Administration with specialization in Finance, Masters of Commerce and Masters of Law with atleast two years of experience in handling corporate affairs; or
 - (f) possess any other qualification as notified by the Commission.
- (ii) in case of a company or a firm, it shall have at least one year of experience in handling corporate affairs.

Provided that where atleast one partner of the firm meet the qualification and experience mentioned in clause (a) above, no prior experience shall be required for the firm;
- (iii) the individual, partners of the firm or employees of the company who are members of any professional institute are compliant with the Continuous Learning requirements outlined by the relevant institute/body;
- (iv) has a National Tax Number;
- (v) has an established office in Pakistan with adequate physical infrastructure including Telephone/mobile phone facility and a valid email address;

- (vi) has informational technology infrastructure complying with the following minimum requirements in case the authorized intermediary utilizes e-services facility of the Commission:
- (a) A minimum of two computers/laptops in case of an individual and five computers/laptops in case of a firm or company having compatibility with the e-services system of the Commission;
 - (b) Broadband Internet /IP connectivity;
 - (c) Dependable Power Supply arrangements;
 - (d) Printers and scanners; and
 - (e) Trained staff for operating the system;
- (vii) the individual or the partners of the firm or the directors of the company have not been undischarged insolvents;
- (viii) the individual or the partners of the firm or the directors of the company have not been convicted by a court of law for an offence involving moral turpitude; and
- (ix) the individual or the partners of the firm or the directors of the company have not been convicted of any offence under the Pakistan Penal Code.

4. Application procedure for registration. - (1) An application to act as a registered intermediary shall be made to the Commission as per **Annexure-I** along with non-refundable fee as specified in **Schedule-I** and requisite documents.

(2) The Commission, while considering the application for registration may require the applicant to furnish such other information or clarification 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 a period of seven days from the date of such change on **Annexure-I**.

5. Grant of certificate of registration. - (1) The Commission on being satisfied that the applicant is eligible for registration may grant a certificate of registration to the applicant as per **Annexure-II** subject to such additional conditions as it may deem fit to impose.

(2) The certificate of registration shall be limited to the authorization for filing of documents under the Act with the Commission or the registrar concerned and shall not be regarded as conferring a license on the intermediary or as providing any recognition of any qualification of the intermediary.

(3) The certificate of registration shall remain valid for a period of three years from the date of registration unless it is cancelled earlier by the Commission, based on the grounds provided under regulation 8.

6. Renewal of registration. -(1) A registered intermediary shall, one month prior to the date of expiry of its registration, apply to the Commission as per **Annexure III** for renewal of registration along with a non-refundable fee as specified in **Schedule I**.

(2) The Commission upon being satisfied, after making such inquiry and obtaining such further information as it may consider necessary that the applicant is eligible for renewal of registration may

grant a renewal of certificate of registration to the applicant as per **Annexure IV** subject to such additional conditions as it may deem fit to impose.

Provided that till such time the registration is renewed, the existing registration shall be deemed valid for the purposes of these Regulations unless the registered intermediary failed to apply as specified in sub-regulation (1) above and fulfill all the requirements to the satisfaction of the Commission for the renewal of registration:

Provided further that if the registered intermediary fails to apply within the specified time period and fails to fulfill all the requirements to the satisfaction of the Commission, its registration shall stand cancelled in accordance with regulation 8 and Commission may initiate further proceedings to give effect to cancellation.

7. Refusal of registration. - (1) The Commission may refuse the registration/renewal on any grounds as mentioned below:

- (i) the applicant fails to meet the eligibility requirements mentioned in regulation 3;
- (ii) the quality of services rendered by the applicant are unsatisfactory;
- (iii) the companies have filed written complaints against the applicant;
- (iv) any other ground as deemed appropriate by the Commission.

Provided that before refusal of registration, an opportunity of being heard will be granted by the Commission.

(2) The decision of the Commission shall be final, and shall not be questioned before any Court.

8. Cancellation of registration. - (1) The Commission may, after providing an opportunity of hearing, cancel the registration of an intermediary through an Order in writing if, -

- (i) the intermediary has provided false, incomplete or misleading documents, applications and/ or statutory return or representation without authorization;
- (ii) the intermediary is found guilty of negligence, default, breach of duty or breach of trust;
- (iii) the intermediary fail to commence activity within twelve months of grant of certificate of registration;
- (iv) the intermediary fails to apply for registration as required in regulation 9 or renewal of registration within time as specified in sub-regulation (1) of regulation 6; or
- (v) any reasonable ground as deemed appropriate by Commission.

(2) The intermediary shall be personally held responsible for the liabilities and obligations arising out of any such act leading to cancellation of registration and shall not be eligible for re-registration for a period of up to five years.

9. Fresh application in case of change in partners of a Firm or directors of a company.-(1) In case there is a change in the partners of the firm or directors of the company, they shall file fresh application within seven days of such change as per regulation 4 above subject to fulfillment of eligibility criteria specified in regulation 3.

CHAPTER III
Appointment or removal of Authorized Intermediary

10. Appointment of authorized intermediary by the company.- (1) The promoters of the proposed company or the company with the approval of its Board of Director, shall appoint only one registered intermediary to act as an authorized intermediary for filing of applications, documents and reports required under the Act on its behalf.

(2) The promoters of the proposed company or the company shall enter into a written agreement with the authorized intermediary which shall set out in sufficient details the rights, obligations and liabilities of each party to the agreement and shall cover, at minimum the following aspects:

- (i) Names of promoters and their CNIC/name of company and its registration number, name of authorized intermediary, its registration number and validity of certificate of registration;
- (ii) scope of services to be provided by the authorized intermediary;
- (iii) mechanism of filing of applications, documents and reports required under the Act;
- (iv) rights, obligations and liabilities of each party;
- (v) term of agreement and provision of renewal, if any;
- (vi) conditions, under which the agreement may be altered, terminated and implications thereof:
 - (a) Voluntary/mandatory termination by the company/promoters of proposed company
 - (b) Voluntary/mandatory termination by the authorized intermediary
 - (c) Mandatory termination in case of cancellation or expiry of certificate of registration of authorized intermediary
- (vii) nature, quantum and manner of fees and charges for which the authorized intermediary renders services;
- (viii) authorization for filing and signing of documents and/ or statutory returns on behalf of the company/promoters of proposed company;
- (ix) in case the intermediary is a firm or company, the details of employees of the authorized intermediary to whom the functions are delegated;
- (x) Confidentiality obligations or protection of information by the authorized intermediary;
- (xi) Governing law/jurisdiction, which governs the agreement.

(3) The agreement shall be maintained by the company in its record for inspection by auditors and the Commission. The Commission may at any time demand to furnish copy of the agreements.

11. Fit and Proper criteria for employees of authorized intermediary.- (1)The authorized intermediary shall ensure that the employees to whom it has delegated its functions shall meet the eligibility requirements mentioned in clause (i), (vii),(viii) and(ix) of sub-regulation (1) of regulation 3.

12. Removal of authorized intermediary by the company.- (1) The authorized intermediary may be removed on termination of agreement referred in clause (vi) of sub-regulation (2) of regulation 10 by the promoters at any time, or with BOD approval, in the case of a company.

13. Renewal of agreement with authorized intermediary.- (1) The contract with the authorized intermediary may either be renewed as per the existing agreement or decided as per fresh agreement.

14. Notice to the registrar.-(1) The Company shall give notice to the registrar as per **Annexure V** within seven days of appointment or renewal of agreement with the authorized intermediary or filing of first document through authorized intermediary whichever is earlier.

(2) The company shall give notice to the registrar as per **Annexure VI** within seven days of removal of authorized intermediary. The company shall ensure that no document is filed on its behalf by the authorized intermediary till notice is given to the registrar in this regard.

15. Maintenance of record by the Commission. - (1) The Commission shall maintain a register of authorized intermediaries as per **Annexure VII**.

CHAPTER IV **Duties and responsibilities of intermediaries**

16. Conduct of intermediaries.-(1) The authorized intermediary and its employees to whom it has delegated the function shall,

- (i) act with due care, skill and diligence in carrying out their duties and responsibilities;
- (ii) ensure that the documents filed on behalf of company complies with the requirements of the Act and other applicable laws;
- (iii) ensure that proper record of documents filed on behalf of company is maintained;
- (iv) ensure confidentiality of documents and information filed on behalf of the company; and
- (v) maintain the record of agreement between the company and the authorized intermediary and any changes therein.

(2) The authorized intermediary shall be responsible for the acts and omissions of all employees to whom it has delegated its functions as authorized intermediary.

(3) The registered intermediary shall ensure compliance with the Continuous Professional Development Course on an annual basis as notified by the Commission.

(4) The Commission or the registrar, as the case may be, may call upon the registered intermediary through a written notice to furnish such information or explanation in writing, or such document, within such time, as may be specified in the notice. On receipt of the notice, the registered intermediary shall furnish such information, explanation or documents as required.

(5) The registered intermediary shall comply with the directions and instruction, issued from time to time, by the Commission or registrar, failing which penal action may be initiated.

CHAPTER V **Duties and responsibilities of company**

17. Conduct of company. (1) The Company shall provide prior consent regarding the applications, documents and reports to be filed by the authorized intermediary.

(2) The company shall be responsible for the acts and omissions on part of authorized intermediary regarding filing of documents under the Act.

CHAPTER VI
Penalties

18. Penalty for contravention of these regulations.- Whoever fails or refuses to comply with, or contravenes any provision of these regulations, or knowingly and willfully authorizes or permits such failure, refusal or contravention shall, in addition to any other liability under the Act, be also punishable with fine amounting to Rupees five thousand.

Intermediaries (Registration) Regulations, 2017

[See Regulation 4]

APPLICATION TO ACT AS REGISTERED INTERMEDIARY
[INDIVIDUAL]

The Securities & Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue, Islamabad.

Dear Sir,

I, hereby apply to act as a registered intermediary within the meaning of Section 455 of the Act.

2. I hereby furnish the following information, -

- I. Name (in block letters)
- II. Father's/Husband's name (in block letters)
- III. CNIC/Passport Number (Attach Copy)
- IV. National Tax Number
- V. Contact Details:
 - a. Official Address
 - b. Residential address
 - c. Land line number
 - d. Cell number
 - e. Email
- VI. Academic qualification
- VII. Professional qualification
- VIII. Period of employment/experience in handling corporate matters, if any
- IX. Number of corporate matters handled during the last six months, if any:
 - a. Handled independently
 - b. Under Supervision [insert name of supervisor]
- X. Certified copies of educational certificates, professional membership for ICAP, ICMAP members, foreign accountancy organization and Bar Council Membership.
- XI. Detailed resume
- XII. Details of informational technology infrastructure available at the office, where applicable.

3. An affidavit regarding fitness and propriety as per Annexure-A is enclosed.

4. Original receipt of challan evidencing payment of registration fee as specified in Schedule I of the Regulations is enclosed.

Signature _____
 Name of the Applicant _____
 Office Address _____
 Date _____

Intermediaries (Registration) Regulations, 2017
[See Regulation 4]

APPLICATION FOR REGISTRATION TO ACT AS AUTHORIZED INTERMEDIARY
[FIRM/COMPANY]

The Securities & Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue, Islamabad.

Dear Sir,

We, hereby apply to act as registered intermediary within the meaning of Section 455 of the Act.

2. We hereby furnish the following information, -

- I. Name of Firm/Company
- II. Registration No./CUIN (Attach copy of Registration certificate, in case of Firm)
- III. National Tax Number
- IV. Address of main and branch offices (if any)
- V. Details of informational technology infrastructure available at the office, where applicable.
- VI. Details of Partners (in case of Firm):
 - a. Name (in block letters)
 - b. Father/husband name (in block letters)
 - c. CNIC/Passport Number (Attach Copy)
 - d. Postal address
 - e. Land line number
 - f. Cell number
 - g. Email
 - h. Academic qualification
 - i. Professional qualification
 - j. Period of employment/experience in handling corporate matters, if any
 - k. Certified copies of educational certificates, professional membership for ICAP, ICMAP members, foreign accountancy organization and Bar Council Membership.
 - l. Detailed resume of the firm/company highlighting experience of each partner/management of company in handling corporate affairs.

3. Affidavits regarding fitness and propriety of each partners of Firm/directors of Company (as the case maybe) as per Annexure-A is enclosed.

4. Original copy of bank challan evidencing payment of registration fee as specified in Schedule I of the Regulations is enclosed.

Signature _____
Name of the Applicant _____
Office Address _____
Date _____

AFFIDAVIT

Before the Securities and Exchange Commission of Pakistan

I, (name of individual/partner of firm/director of the company) son/daughter/wife (father/husband name), resident of _____ and holding CNIC/Passport No _____, NTN _____, do hereby state on solemn affirmation as under that I:-

1. Am eligible to act as a registered intermediary according to the criteria specified in the Regulations.
2. hereby confirm that the contents of the application and the documents submitted to the Commission for registration as an intermediary under Section 455 of the Act are true and correct to the best of our knowledge and belief and nothing has been concealed therein;
3. have no objection if the Commission requests or obtains information about me from any third party;
4. undertake to bring to the attention of the Commission any matter which may potentially affect my status a registered intermediary according to the criteria specified in the Regulations;
5. undertake to provide an authority letter in my favor from the company on whose behalf I am submitting the statutory returns, as and when demanded by the Commission.

DEPONENT

The Deponent is identified by me

Signature _____
ADVOCATE (Name and Seal)

Solemnly affirmed before me on this _____ day of _____ at _____
by the above named Deponent who is identified to me by _____, Advocate.

Signature _____
OATH COMMISSIONER FOR TAKING AFFIDAVIT
(Name and Seal)

**Intermediaries (Registration) Regulations, 2017
[see Regulation 5]**

**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
CORPORATIZATION AND COMPLIANCE DEPARTMENT**

Registration No. CCD-

Islamabad, Dated:

**CERTIFICATE OF REGISTRATION TO ACT AS AN INTERMEDIARY
(Section 455 of the Companies Act, 2017)**

The Securities and Exchange Commission of Pakistan, having considered the application to act as registered intermediary submitted by Mr./M/s. (Name of the applicant) under sub-regulation (1) of regulation 4 of the Intermediaries(Registration) Regulations, 2017 (Regulations) and on being satisfied with the said application, hereby grants certificate of registration in the name of _____(Name of the applicant) in exercise of powers conferred under sub-regulation (1) of regulation 5 of the Regulations. This registration is valid for a period of three years w.e.f. _____.

Approving Authority

Disclaimer: The certificate of registration shall be limited to the authorization for filing of documents under the Act with the Commission or the registrar concerned and shall not be regarded as conferring a license on the registered intermediary or as providing any recognition of any qualification of the registered intermediary.

Intermediaries (Registration) Regulations, 2017
[see Regulation 6]

**APPLICATION FOR RENEWAL OF REGISTRATION TO ACT AS REGISTERED
INTERMEDIARY**

The Securities & Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue, Islamabad.

Dear Sir,

I/We, hereby apply for renewal of registration to act as a registered intermediary within the meaning of Section 455 of the Act. The registration granted or renewed earlier is due to expire on _____.

2. I/We hereby furnish the following information, __

- (i) Affidavit from the individual/each partner of firm/each director of the company stating that he is eligible to act as a registered intermediary according to the criteria specified in the Regulations.
- (ii) Details of employees to whom it has delegated its functions covering the following:
 - (a) Qualification
 - (b) Experience of handling corporate matters, preparation and filing of statutory returns
- (iii) Affidavits from employees to whom it has delegated its functions stating that he is compliant with the criteria specified in the Regulations.
- (d) Original copy of bank challan evidencing payment of registration fee as specified in Schedule I of the Regulations is enclosed.

Signature _____
Name of the Applicant _____
Registration Number _____
Date _____

Intermediaries (Registration) Regulations, 2017
[see Regulation 6]

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
CORPORATIZATION AND COMPLIANCE DEPARTMENT

Registration No. CCD

Islamabad, Dated:

CERTIFICATE OF REGISTRATION TO ACT AS REGISTERED INTERMEDIARY
(Section 455 of the Companies Act, 2017)

The Securities and Exchange Commission of Pakistan, having considered the application for the renewal of registration to act as registered intermediary submitted by Mr./M/s. (Name of the applicant) under sub-regulation (1) of regulation 6 of the Intermediaries(Registration) Regulations, 2017 (Regulations) and on being satisfied with the said application, hereby renews the certificate of registration of Mr./M/s. _____ (Name of the applicant) in exercise of powers conferred under sub-regulation (2) of regulation 6 of the Regulations. This registration is valid for a period of three years w.e.f. _____.

Approving Authority

Disclaimer: The certificate of registration shall be limited to the authorization for filing of documents under the Act with the Commission or the registrar concerned and shall not be regarded as

conferring a license on the registered intermediary or as providing any recognition of any qualification of the registered intermediary.

Intermediaries (Registration) Regulations, 2017
[see Regulation 13]

**NOTICE OF APPOINTMENT/RENEWAL OF AGREEMENT WITH AUTHORIZED
INTERMEDIARY**

PART-I

(Please complete in typescript or in bold block capitals.)

- 1.1 CUIIN
- 1.2 Name of the Company
- 1.3 Fee Payment Details
- 1.3.1 Challan No 1.3.2 Challan Amount

PART-II

- 2.1 Registration No. of Intermediary
- 2.2 Name of Intermediary
- 2.3 With effect from
- dd mm yyyy
-

PART-III

- 3.1 Signature
- 3.2 Registration No of Authorized Intermediary
- 3.3 Date
- dd mm yyyy
-

Enclosure:

1. Original copy of paid bank challan evidencing payment of fee

Intermediaries (Registration) Regulations, 2017
[see Regulation 13]

NOTICE OF REMOVAL OF AUTHORIZED INTERMEDIARY
PART-I

(Please complete in typescript or in bold block capitals.)

- 1.1 CUTN
- 1.2 Name of the Company
- 1.3 Fee Payment Details
- 1.3.1 Challan No 1.3.2 Challan Amount

PART-II

- 2.1 Registration No. of Intermediary
- 2.2 Name of Intermediary
- 2.3 With effect from
- dd mm yyyy
-

PART-III

- 3.1 Signature
- 3.2 Name of Authorized Officer
- 3.3 Date
- dd mm yyyy
-

Enclosure:

1. Original copy of paid bank challan evidencing payment of fee

Intermediaries (Registration) Regulations, 2017
[see Regulation 14]

REGISTER OF REGISTERED INTERMEDIARIES

S. No.	Registration Number	Name of Registered Intermediary	Date of grant of initial certificate of registration	Dates of renewal of certificate of registration	Date of Cancellation of certificate of Registration, if any

SCHEDULE-I

Fees

(both for online and offline mode)

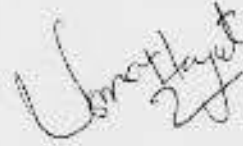
a. For Individuals:

Particulars	Amount (Rupees)
Registration processing Fee (Non-Refundable)	10,000
Correction/ Update Processing Fee (Non-Refundable)	2,000
Renewal Fee (Non-Refundable)	5,000
Filing Fee	500

(b) For Firms:

Particulars	Amount (Rupees)
Registration processing Fee (Non-Refundable)	50,000
Correction/ Update Processing Fee (Non-Refundable)	5,000
Renewal Fee (Non-Refundable)	25,000
Filing Fee	500

[No.CLD/CCD/PR/4/2016]



(Usman Hayat)
Secretary to the Commission

